Annual Report 2024

Permanent TSB Group Holdings plc

This document contains certain forward-looking statements with respect to Permanent TSB Group Holdings plc's (the 'Group') intentions, beliefs, current goals and expectations concerning, among other things, the Group's results of operations, financial condition, performance, liquidity, prospects, growth, strategies, the banking industry and future capital requirements. These forward looking statement often can be identified by the fact that they do not relate only to historical or current facts.

Generally but not always words such as "expect", "anticipate", "intend", "plan", "estimate", "aim", "forecast", "project", "target", "goal", "believe", "may", "could", "will", "seek", "would", "should", "continue", "assume" and similar expressions (or their negative) identify certain forward-looking statements but their absence does not mean that a statement is not forward looking. The forward-looking statements in this document are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Forward-looking statements involve inherent known and unknown risks, uncertainties and contingencies because they relate to events and depend on circumstances that may or may not occur in the future and may cause the actual results, performance or achievements of the Group to be materially different from those expressed or implied by such forward looking statements. Many of these risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely, such as future global, national and regional economic conditions, levels of market interest rates, credit or other risks of lending and investment activities, competition and the behaviour of other market participants, the actions of regulators and other factors such as changes in the political, social and regulatory framework in which the Group operates or in economic or technological trends or conditions. Material economic assumptions underlying the forward looking statements are discussed further in Market and Regulatory context.

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

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

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

Contents

Financial Highlights

Financial Performance

Underlying profit €m (a)

2024: €180m

2024	€180m
2023	€166m
2022	€45m

Profit before taxation

2024: €159m

2024	€159m
2023	€79m
2022	€267m

Net interest margin % (b)

2024: 2.20%

2024	2.20%
2023	2.32%
2022	1.54%

Return on tangible equity % (c)

2024: 7.5%

2024	7.5%
2023	6.5%
2022	1.4%

Transformation and simplification

Adjusted cost to income ratio (d)

2024: 74%

2024	74%
2023	66%
2022	84%

Customer deposits (e)

2024: €24.1bn

2024	€24.1bn
2023	€23.0bn
2022	€21.7bn

Asset Quality

CET Ratio (fully loaded basis) (f)

2024: 14.7%

2024	14.7%
2023	14.0%
2022	15.2%

NPL Ratio (g)

2024: 1.8%

2024	1.8%
2023	3.3%
2022	3.3%

Risk weighted assets (RWA) (h)

2024: €11,494m

2024	€11,494m
2023	€11,546m
2022	€10,627m

(a) Operating profit before exceptional and other non-recurring items. See table 1 on page 410 for a reconciliation of underlying profit to operating profit on an IFRS basis.
(b) Defined as net interest income (NII) divided by average interest-earning assets.
(c) Defined as profit after tax less AT1 coupons paid (before exceptional and non-recurring items) expressed as a percentage of targeted CET1 capital.
(d) Defined as total operating expenses (excluding exceptional and other non-recurring items) divided by total operating income.
(e) Defined as the total of current accounts, retail deposits and corporate deposits.
(f) Total common equity tier 1 (CET 1) capital on a fully loaded basis divided by total risk weighted assets (RWAs).
(g) Defined as non-performing loans (NPL) expressed as a percentage of the total gross loans of the bank.
(h) RWAs are the Group's assets and off balance sheet exposures, weighted according to risk.

Non-Financial Highlights

Environmental

- Increased focus on Sustainability and Climate-related and Environmental Risk, with a Board approved Sustainability Strategy aligned to the Sustainable Development Goals (SDGs)*
- c.€875 million in green lending during 2024 +28% YoY, accounting for 43% of new Mortgage Lending
- First lender to participate in the SBCI's Home Energy Upgrade Loan Scheme, offering €100 million in loans
- Participation in the SBCI's Growth and Sustainability Loan Scheme, offering €70m in loans
- Inaugural €500m Green Senior HoldCo notes issued under the Bank's Green Bond Framework
- Developing the Bank's Science-Based Targets (SBTs) in line with the Science Based Target Initiative's (SBTi) V2 Guidance and preparing a corresponding Carbon Reduction Plan

Social

- c.€19.4 million in funding provided to the Social Finance Foundation since 2009**
- c.€360,000 in charitable giving through the PTSB Community Fund in 2024, which included matched funding by the Bank
- Multi-year partnership with AsIAm – Ireland's Autism Charity
- First Bank in Ireland to receive Autism-Friendly Branch accreditation
- More than 2000 volunteering hours provided on the ground last year, equating to c.€67,000 of in-kind giving
- 76% Culture Index Score, 6% above our Culture Index Target of 70%
- Relationship Net Promoter Score (RNPS)*** +10% YoY

Governance

- Appointment of a Chief Sustainability and Corporate Affairs Officer to deliver on the Bank's Sustainability Strategy
- 60% Female Board Gender Composition and 40% of Senior Leadership positions filled by Women
- Issuance of the Bank's Inaugural Sustainability Statement
- A 'Low' ESG Risk Rating through Sustainalytics
- Certified with the 'Business Working Responsibly Mark' for the second time

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

** The Social Finance Foundation was established in 2007 by the Irish Government to address the needs of community organisations and social enterprises for loan funding which was difficult to obtain from mainstream financial institutions. Acting as a 'wholesaler', it provides funding to its lending partners Clann Credo and Community Finance Ireland.

*** A Relationship Net Promoter Score (RNPS) measures the willingness of customers to recommend a company's products or services to others.

Non-Financial Highlights

Our Commitment to Building a Sustainable Business

Our Purpose is to work together to build trust with our customers and communities.

Our Sustainability Strategy gives us an opportunity to put our Purpose into action - enabling us to play our part in addressing the global climate crisis, elevate our social impact, enhance our culture and deliver what matter most to our customers and colleagues.

Ultimately, building a sustainable organisation that is fit for the future.

Ambitions For 2025 and Onwards

Continue to embed PTSB's Sustainability Strategy and evolve the Bank's Sustainability Maturity.

Increase our focus on ESG Risk management.

Receive validation for our SBTs and Carbon Reduction Plan from the Science Based Target Initiative.

Elevate our social impact through lending and partnerships and continuing to support local communities through our PTSB Community programming.

Partner with small businesses through our Business Banking Strategy.

Ensure strong corporate governance, compliance, and fair business conduct.

Chair's Statement

PTSB delivered a strong performance throughout 2024. As a purpose-driven organisation, we are committed to working together to build trust with our customers and communities. We are meeting personal and business customer needs through our competitive and innovative propositions, and we are well placed to continue to drive sustainable business growth and deliver for the Bank and its shareholders in 2025 and beyond.

Our 2024 results show we are reporting a robust financial performance and increased profitability. Our underlying profit before tax has increased by 8% to €180 million in 2024, while our profit before tax has doubled to €159 million.

The Bank is competing strongly in the mortgage market, with significant progress being made notably in the second half of the year.

We do not underestimate the responsibility we have in supporting hundreds of thousands of customers own their own homes, and have invested in the development of both compelling propositions and digital and in-person support to ensure a superior customer experience.

With new mortgage lending in H2'2024 95% ahead of H1'2024, customers are showing a clear appetite for the competitive alternative service model that PTSB offers to the Irish market.

Our results in 2024 also demonstrate the benefit of our investments in diversifying our business. We have experienced significant growth in our business banking book, with our SME book growing by 16% and our Asset Finance book growing by 4%. We are also diversifying our income streams, with net fee and commission income up 31% compared with 2023.

Given the interest rate environment we are operating within, we know that prudent cost management, ongoing operational efficiency, and income diversification are more important than ever. For this reason, they are key components of our refreshed business strategy which will see us grow our business further, driving sustainable profitability for the Bank and its shareholders.

Our strategy will see us capitalise on what is different about PTSB. On the 'Altogether more human' proposition we provide to customers throughout Ireland. A proposition that is rich in heritage with deep roots in our communities, while also being modern and contemporary, offering both digital and human support.

Governance and management

In my role as Chair, one of my priority areas of focus is to ensure that the Bank not only has a robust corporate governance structure in place, but also that it continuously evolves to ensure it aligns to the needs and objectives of the evolving organisation.

PTSB has been through a period of significant transformation over the past three years, including being recognised as an 'Other Systemically Important Institution'.

To ensure that the Bank can continue to meet the increased expectations of its stakeholders, throughout 2024 we implemented a plan to improve the effectiveness of governance at Board and Executive level. This included enhancements to our strategic planning, our risk management processes and capabilities, our data and technology, and embedding sustainability further into the business. These are outlined in further detail in my introduction to the Corporate Governance Statement on page 74.

I am pleased with the strong progress we have made in these areas, and the culture of continuous improvement that has been fostered which will see that momentum continue in the years to come.

And we are making this progress despite the challenging economic conditions and cost of living pressures that have been prevalent over the past few years. While the Irish economy is showing steady growth and lower inflation, we recognise that we are in an era of increasing geo-political tensions, and associated geo-economic risks are rising.

Given these challenges, it is more important than ever that we continue to strengthen our corporate governance and the way we collectively serve our customers to meet the needs and expectations of all stakeholders.

Key to that is ensuring that we as a Bank are reflective of the communities that we serve.

In my statement last year, I referenced the implementation of a comprehensive Diversity, Equity & Inclusion (DEI) strategy and our ambition being to ensure that everyone, regardless of gender, age, ethnicity, orientation, ability or socioeconomic status, can feel that they have true equality of opportunity and influence at PTSB.

Chair's Statement
(continued)

In recent times, I have observed that some organisations are relaxing their approach towards DEI, stepping back from the previous ambitious targets they committed to. I want to be clear that PTSB remains steadfast in our commitment to building a Diverse, Equitable, and Inclusive culture for all colleagues. I fundamentally believe that in doing so, we will build a stronger and better bank, which in turn will deliver value for all our stakeholders. As such, this remains a priority for me, the Board and wider management team.

While there is still more work to be done, we have made significant progress in this area. In 2024, we achieved 60% female representation at Board level, and 40% of our Senior Leadership team positions are now filled by women.

Our leadership team and colleagues alike champion our collective commitment to DEI through their participation in the Bank's Employee Resource Groups (ERG). Each ERG is sponsored by an Executive Committee member and their respective committees comprise of colleagues at all levels from across the organisation who volunteer to drive internal and external initiatives in advancing all aspects of DEI within the organisation.

The benefit and impact of colleague-led initiatives such as this is evident through our Culture Index Score and our colleague Trust score, both of which are above target.

Our progress has also been recognised externally, with the Bank successfully achieving the IBEC KeepWell Mark™ in 2024, a national health and wellbeing evidence-based accreditation that recognises organisational commitment to employee well-being, safety and health.

So, as I reinforce my personal commitment to DEI, I am extremely proud of the work being done in PTSB, and have every confidence that the Bank and its colleagues will continue to go from strength to strength in this regard and that PTSB will be the better for it.

Outlook

Notwithstanding geo-political challenges, the Irish economy remains resilient, and PTSB will continue to thrive.

As we deliver our refreshed business strategy between now and 2027, we will deepen customer relationships, diversify our income, and differentiate through customer experience. We will do this by driving continuous operational efficiencies and prudent cost management so we can continue to grow and generate sustainable returns for our shareholders.

Looking ahead to 2025, I am confident that the foundations we have built over the past number of years have put us in prime position to provide much needed competition in the market. We have the people, the capability, the technology, the strategy, and above all else, the Ambition to be successful in doing so.

I would like to express my gratitude to my colleagues across the Bank, led by our Chief Executive, Eamonn Crowley, who show up each and every day to deliver for our customers. Whether in our branches, our contact centres, our support offices or our headquarters, their commitment and customer-focus is at the heart of what makes PTSB 'Altogether more human', and will see us continue to prosper and grow into the future.

Julie O'Neill

Julie O'Neill
Chair

> "Looking ahead to 2025, I am confident that the foundations we have built over the past number of years have put us in prime position to provide much needed competition in the market. We have the people, the capability, the technology, the strategy, and above all else, the Ambition to be successful in doing so."

Chief Executive Review

PTSB's 2024 Annual Results reflect another year of strong business and financial performance for the Bank.

With our strong capital and liquidity positions, we are in prime position to continue to provide much needed competition in the Irish market and achieve our Ambition to become Ireland's best personal and business bank through exceptional customer experiences.

Introduction

2024 marked another year of significant progress for PTSB, and we are set to build on that strong progress in 2025.

Fundamental to that progression, is focusing on delivering the right customer outcomes and exceptional customer experiences. We firmly believe that doing so will be of benefit not only to our customers, but also to our wider stakeholders, including our shareholders.

As such, since the launch of our new brand and business repositioning in October 2023, our focus throughout 2024 has been on driving the business forward by putting our customers at the heart of our decision making, and delivering on our promise of being 'Altogether more human'.

This promise, to bring the best of technology and our people together to deliver a better banking experience for our customers, is how we differentiate ourselves from our competitors. It is our commitment to putting customer needs at the centre of how we think, plan, design and deliver for them, whether that's through our voice, digital or in-person channels, or a combination of them all.

Throughout 2024, we introduced a range of new products and competitive rate changes to meet our customers' needs. We launched a new 32-Day Notice deposit product for our business customers, and for our personal customers, we launched our innovative Interest-First deposit account.

We implemented a number of competitive changes to our personal deposit rates and to our mortgage fixed-rates, both of which included market-leading rates. We have continued the momentum in this area with further market-leading rates announced in January 2025 to ensure that we remain a competitive force for mortgage customers, while also extending our 2% monthly cash back offer to all current account customers, whether they are existing or new customers.

We have continued to invest in our technology, strengthening our core systems so we provide a secure and resilient service for the ultimate benefit of all our customers. Customers are responding positively to these investments, with mortgage drawdowns through our online portal increasing by 87% in 2024 compared with 2023 and €410m of new business savings and deposit accounts opened through our digital channels.

We are also obtaining tangible benefits from our investment in 'PTSB Protect'. This global-banking first is a feature of our mobile banking app which helps prevent customers falling victim to fraudulent scams. In 2024 we reduced customers' exposure to fraud by 64% due to PTSB Protect.

Taking all this progress into account, we are well positioned to continue to provide much needed competition in the Irish market and achieve our Ambition to become Ireland's best personal and business bank through exceptional customer experiences.

Business Performance Overview

Funding

Customer Accounts

At 31 December 2024, customer deposit accounts of €24.1 billion are €1.2 billion higher than 31 December 2023. Retail deposit balances of €13.5 billion have increased by 9% over the course of 2024, while current accounts of €9.2 billion have remained in line with 2023. In line with our funding strategy, the Bank remains strongly funded by retail deposits and current accounts, making up 86% of the total funding profile and reflecting a strong liquidity and funding position.

Lending

Total gross new lending in the financial year 2024 was €2.6 billion (2023: €2.8 billion), and this showed great momentum in H2'24, increasing by 19% versus H2'23. There was a strong pipeline of activity across all business lines at the end of the year, and the Bank is demonstrating good progress in diversifying income through growth in SME and Asset Finance lending.

Mortgage lending in 2024 was c.€2.1 billion, with drawdowns in H2 accelerating to nearly twice the level of H1 as customers responded positively to the Bank's competitive mortgage offering. This was also reflected in our strong mortgage market share which reached 20.2% in Q4. The mortgage market in Ireland was €12.6 billion in 2024, up 4% on its level for 2023 though still lower than the €14.1 billion recorded in 2022.

Business Banking lending, inclusive of both SME and Asset Finance lending, in 2024 was €434 million, an 11% increase compared with 2023. This demonstrates our commitment to offer a meaningful alternative to business customers seeking a new banking relationship PTSB. We were also delighted to extend our Business Banking offering by joining the SBCI's €500 million Growth & Sustainability Loan Scheme (GSLS) in 2024.

The Bank recorded gross new consumer term lending pay-outs of €132 million in 2024. This is an increase of 13% compared to 2023.

Financial Performance Overview

The Bank reported a Profit Before Tax of €159 million for 2024 (2023: €79 million). Net interest income (NII) remained broadly consistent year on year. Net fee and commission income is €55m for the year ended 31 December 2024 an increase of €13 million compared to 2023.

Operating Income

NII of €612 million has decreased by 1% year on year and our Net Interest Margin (NIM) decreased by 12bps to 2.20%. NII decreased due to higher cost of funds, primarily due to growth in higher interest-bearing deposits, offset by increased interest income due to the re-fixing of mortgages at higher rates and the recognition of a full years' income in 2024 on the Asset Finance business which migrated in H2 2023.

Net fee and commission income is €55 million for the year ended 31 December 2024, an increase of €13 million compared to 2023. The increase is primarily due to additional fee income on current accounts.

Net other income was €5 million for 2024 compared to €6 million in 2023. Other income is driven by sales of properties in possession and FX gains.

Operating Expenses

Operating expenses excluding exceptional and other non-recurring items of €531m are €27 million higher than prior year, primarily due to an increase in staff numbers during 2024, along with Performance Related Pay increases, technology licencing costs and cost inflation pressure.

The Bank is undertaking a Strategic Business Transformation (SBT) Programme that focuses on operational improvements and cost efficiency, the outcome of which will be improvements in both customer and colleague experiences and a reduction in the Bank's cost base, both now and into the future.

Initiatives being delivered under the SBT programme include the introduction of digital customer correspondence to reduce paper usage, the development of an end-to-end, in-life mortgage servicing platform to enable process simplification and self-serve capabilities, a rationalisation of our Software and IT Suppliers, and the introduction of a new contact centre platform to improve both colleague and customer experience.

Impairment

The Bank recorded an impairment write-back on loans and advances to customers of €39 million for 2024, compared to a €2 million write-back for 2023. This reflects the strong underlying performance and asset quality within the loan book, together with a favourable macro-economic environment and improved collateral values.

Exceptional and other non-recurring items

The total exceptional and non-recurring items for 2024 are €21 million, which include accelerated amortisation on intangible assets of €9 million and €9 million impairment on the 'Glas III' transaction.

NPLs

Non-performing loans as a percentage of gross loans were 1.8% at 31 December 2024, a decrease of 150bps compared to 3.3% at 31 December 2023. The decrease was driven by the non-performing 'Glas III' loan portfolio sale during the year.

Capital

The Common Equity Tier 1 (CET1) capital ratio on a fully loaded basis was 14.7%. This compares to the Bank's reported fully loaded CET1 ratio of 14.0% at 31 December 2023.

The increase of the CET1 ratio (+70bps) in the year is primarily due to increasing capital generated from 2024 profit, partially offset by AT1 coupon payments, investment in intangible software assets and RWA reduction due to Glas III. Capital ratios remain above both management and regulatory requirements.

Sustainable Business Growth

Delivering sustainable profitability and incorporating Sustainability into our business practices and strategic decisions remains a key priority for the Bank. We are focused on embedding Sustainability in a way that is not only good for society, but good for business too.

To that end and after a competitive selection process, I was delighted to announce Leontia Fannin as Chief Sustainability & Corporate Affairs Officer in August 2024. The role was newly created to reflect the Bank's commitment to Sustainability as a key driver of its business strategy and the value it places on corporate affairs as a driver of internal and external stakeholder engagement.

Throughout 2024 we continued the strong and steady progress of recent years across the four pillars of our Sustainability Strategy.

We continued to support our customers in navigating the transition to a low-carbon economy with €875 million in green mortgage lending throughout 2024, an increase of 28% compared with 2023. This equates to 43% of the Bank's new mortgage lending for the year, which represents an increase of 14% compared to the previous year.

In addition to supporting business customers through the SBCI GSLS Scheme, we were delighted to have been the first financial institution to participate in the Strategic Banking Corporation of Ireland's (SBCI) Home Energy Upgrade Loan Scheme (HEULS), offering customers low-cost loans to upgrade the energy efficiency of their home.

From a social impact perspective, we were extremely proud to donate €360,000 to our six 2024 Community Fund partners. This is our highest ever donation since the establishment of the Community Fund, and included €180,000 in matched funding by the Bank and represents a 20% increase on funds donated in 2023. Through our partnership with the Social Finance Foundation, we have provided €19.4m in funding since 2009.

Reflecting on the importance of inclusivity, the Bank was delighted to announce a multi-year partnership with Ireland's Autism Charity, AsIAm, as we became the first bank in Ireland to receive autism-friendly branch accreditation. Under the terms of this three-year partnership, PTSB is providing funding to AsIAm to scale and grow the supports that the charity offers throughout Ireland.

A key highlight of our 2024 results is our first report under the Corporate Sustainability Reporting Regulations and we will launch a refreshed Sustainability Strategy in H1 2025. The bank is also at the final stages of setting Science Based Targets and is submitting targets to the Science Based Targets Initiative for validation in the coming weeks.

Strategy and Outlook

As part of our Annual Report, we are announcing the Bank’s Board-approved, refreshed three-year business strategy for 2025-27.

Over the last three years, PTSB has transformed into a Bank that is a very strong competitor amongst two dominant pillar banks. This competition is needed in the market, and it is needed for customers.

Our refreshed Business Strategy 2025-27 sets out the roadmap to how we will achieve our Ambition to be Ireland’s best personal and business bank through exceptional customer experiences.

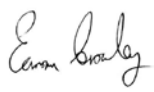
It is focused on deepening customer relationships, diversifying income and differentiating through customer experience. We will do this while driving continuous operational efficiencies and prudent cost management, so the Bank can continue to grow and prosper in a sustainable manner while rewarding shareholders.

As the Chair stated in her review, we are operating in a new era of geo-political tensions. At PTSB, we understand that we need to adapt and grow in line with this environment while always being mindful of the threats and challenges which could emerge, whether at home or abroad, and impact on our customers and our business.

Notwithstanding these challenges, I am confident that the strong momentum that exists in PTSB will continue to drive the Bank forward and make it an even greater competitive force.

Building on the investments made in recent years, the Bank is now in prime position to provide retail and business banking customers with an attractive and competitive alternative; one that is underpinned by both resilient and innovative technology, and by human support.

I will conclude by acknowledging the contributions made by my colleagues across the Bank throughout 2024. The dedication and commitment that they demonstrate each and every day will ensure we are successful in achieving our Ambition, and delivering for our customers, communities, wider Irish economy, and our shareholders.



Eamonn Crowley
Chief Executive

“Building on the investments made in recent years, the Bank is now in prime position to provide retail and business banking customers with an attractive and competitive alternative; one that is underpinned by both resilient and innovative technology, and by human support.”

Market and Regulatory Context

Retail Banking Trends in Ireland 2024

Over the last year, we have consolidated our position as the third largest, full-service retail and business bank in Ireland, investing in our products, processes and people to deliver on our Ambition of being Ireland's best personal and business bank through exceptional customer experiences. Through listening to our customers and understanding their banking needs, we are continuing to deliver new products and exceptional customer experiences, while growing and diversifying our business.

In June 2024, the European Central Bank began to cut rates as inflation across the euro zone eased. The ECB announced four rate decreases, bringing the main borrowing rate to 3.15%, equating to a reduction of 1.35% during 2024. The deposit rate was reduced by 100bps to 3%, while the marginal lending facility was cut to 3.40%.

Mortgage market growth was modest in 2024, primarily driven by continued decreases in switcher and mover purchase activity with market projection adjusted to €12.5 billion. Market pay-outs reached €12.6 billion by the year end, with drawdown volumes falling marginally by 1.3% year on year, while values rose by 4.0%, representing an increase in average house prices across the country. The levels of approvals in 2024 were up 2.9% year on year, coupled with the impact of ECB rate cuts on mortgage price competition, provide a positive outlook for the market in the first half of 2025.

PTSB has taken significant steps to further enhance our digital banking offering this year as customers' desire for digital capabilities have continued to increase. Over 26,000 new current accounts were opened during the year, 52% of which were through our app, signalling customers' continued preference and adoption of digital channels. Overall digital channel usage remains high, with c. 160 million logins through our App and Website in 2024. In an environment with evolving methods and attempts at fraud, we remain committed to safeguarding our customers. Since launching 'PTSB Protect' in October 2023, we have seen a 55% reduction in fake website clicks by our customers. This innovative service won Best Innovation/ New Feature at the Bonkers.ie Awards and Best Innovation in CX at the Irish CX Impact Awards.

Delivering exceptional customer experiences remains a key focus for the Bank across our digital, voice and in-person channels, including our intermediary channels. We have continued to evolve our channel mix by investing in customer journey enhancements across both onboarding and in-life for a number of product lines. Customer needs are at the heart of how we design innovative products and services and how we distribute to our customers. Our 'Reflecting Ireland' quarterly research series indicates that Sustainability is important to our Customers, and in April, we became the first financial institution in Ireland to participate in the Strategic Banking Corporation of Ireland's (SBCI) Home Energy Upgrade Loan Scheme, supporting customers with retrofits to make their homes more energy efficient. In June, we launched our innovative 'Interest First' deposit account, unique to the Irish market, enabling customers to receive interest from savings upfront as a lump sum, within the first month of opening the account, instead of waiting until the end of the 1-year fixed term.

For the second consecutive year, our 'Explore' current account was awarded the "Financial Services Loyalty Programme/ Initiative of the Year" at the Irish Loyalty & CX Awards.

At PTSB, we are committed to fostering openness, inclusivity, and to deliver an exceptional experience to our customers and communities, especially those that might require additional support or are vulnerable. Supporting vulnerable customers is not just a moral obligation; it is also a reflection of our commitment to fairness, inclusivity and building trust, and we have continued to enhance our procedures to support those who need it most. In 2024, we announced a multi-year partnership with AsIAm, Ireland's Autism Charity, and became the first Irish financial institution to be accredited with Autism-Friendly branches in key locations across the country. We have also introduced easy-to-read guides in our branches for customers who may require additional support, and provided Lámh training for front-line staff, teaching them a manual signing system to enhance their engagements with customers with additional communication needs.

Business Banking Trends in Ireland 2024

The Irish economy has shown robust strength through the inflationary challenges of the last 24 months. Following recent interest rate reductions, many businesses are eager to grow and take advantage of robust demand in the market however the volatility in raw material and fuel costs represents a headwind and requires vigilant management. Key sectors driving growth in new lending in 2024 include wholesale, retail, agriculture, and human health.

SMEs are effectively managing their business models through innovation and automation, with a focus on sustainability to enhance business performance. Initiatives such as the Growth & Sustainability Loan Scheme (GSLS) by the Strategic Banking Corporation of Ireland (SBCI), in which PTSB participates, are providing key mechanisms to support SMEs. The SBCI loan guarantee schemes have been instrumental in enhancing the Bank's reputation in the SME market and driving growth across all existing product ranges.

Tight labour markets and skills shortages continue to challenge many SMEs, with the Irish economy nearing full employment with 2.8 million people now employed. Inflation and interest rates began to reduce in 2024, with growth forecasted for the Irish economy in 2025 outpacing most other European economies. The SME economy also benefits from significant Foreign Direct Investment in Ireland, with Multinational Companies (MNCs) continuing to invest and expand their footprint in the only "English-speaking" economy in the EU. Irish SMEs play a crucial role in the value chains for those MNCs that choose Ireland as a business hub. The impact of the new US administration's trade policy is uncertain and potential downstream impact on Irish SMEs needs to be closely monitored.

PTSB has continued to grow business lending activity through the period while providing timely support to borrowers in financial difficulty. The Bank increased new SME lending by 28% in the year. Strong volumes of M&A activity are driving lending needs in the areas of succession planning and management buyouts, with refinance activity also remaining high. The business lending portfolio is well spread across industry sectors with continued investment in our capabilities. The Bank has also bolstered the Business Banking team with experienced specialists to support our customers and position PTSB as one of the top three Business Banks in the market.

PTSB Asset Finance business have continued to finance assets across a wide range of sectors including transport, agriculture, and manufacturing. The Bank's combined SME and Asset Finance books grew 11% to over €1.1 billion at year end.

"The Irish economy has shown robust strength through the inflationary challenges of the last 24 months. Following recent interest rate reductions, many businesses are eager to grow and take advantage of robust demand in the market however the volatility in raw material and fuel costs represents a headwind and requires vigilant management."

Our Strategy, Business Model and Culture

Introduction

PTSB has a long banking history of over 200 years, making us one of Ireland's longest serving financial services institutions. Throughout this time, our focus has been on delivering exceptional customer experiences and connecting with our local communities. This remains a core part of the Bank's Strategy, in a world where customer needs and behaviours are ever evolving.

After a period of transformational growth, PTSB has successfully strengthened its Balance Sheet and established strong foundations from which the Bank will grow sustainably. With our strong capital and liquidity positions, PTSB is well positioned to continue to provide much needed competition in the Irish market and achieve our Ambition of being Ireland's best personal and business bank through exceptional customer experiences.

Building on the investments made in recent years, the Bank is now in prime position to challenge the dominant pillar banks in the Irish market, providing retail and business banking customers with an attractive and competitive alternative; one that is underpinned by both resilient and innovative technology and by human support.

The Bank has a clear strategic direction that is being delivered over three phases;

- Phase 1. Optimise operating model and offers to become fit for future growth;
- Phase 2. Evolve and develop offers to deepen customer relationships and grow income; and
- Phase 3. Drive diversification and accelerate growth.

Acknowledging market conditions of a decreasing interest rate environment, continued price competition in the mortgage market, and significant regulatory and mandatory operating requirements, Phase I of our Strategy presents an exciting prospect for PTSB.

Under Phase 1, which will be delivered 2025-27, the Bank's focus will be on deepening customer relationships, diversifying income, and differentiating through customer experience, while driving continuous operational efficiencies and prudent cost management.

Our Business Model

PTSB offers Personal and Business Banking services exclusively in the Republic of Ireland and this is not expected to change through the delivery of our Strategy.

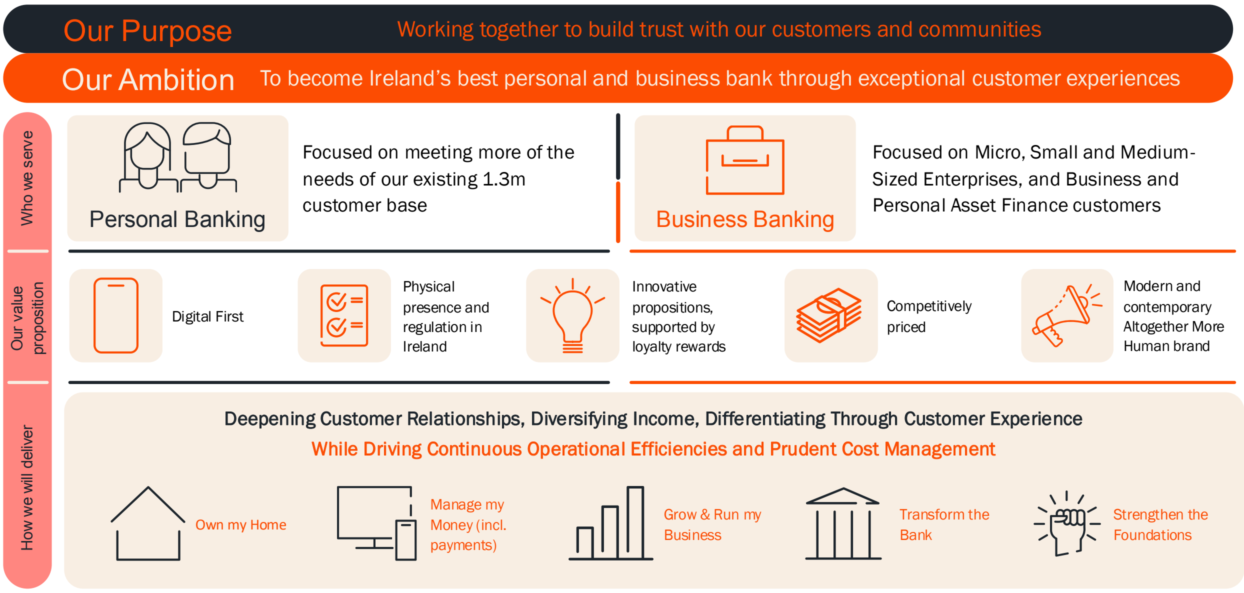
Building on our strong Mortgage offering, the Bank is focused on diversifying its income by increasing our share in other key priority products such as Credit & Asset Finance products in the Business Banking market, and Consumer Term Loans, Deposits & Current Accounts, Insurance and Pensions & Investments in the Personal Banking market. This will also deliver growth in our Non-Interest Income.

The Bank will invest in People, Data, Technology, AI and Innovation, while driving continuous operational efficiencies, to ensure a sustainable cost base.

Our Strategy

To deliver against Phase I of our strategic direction, the Bank is launching its Board-approved, refreshed three-year Business Strategy 2025-27. This will see us deepen customer relationships, diversify our income, and differentiate through customer experience.

Business Strategy 2025-27



- **Deepening our customer relationships** will mean that we do more business with the 1.3m customers we already have, meeting all their financial needs – whether that be a current account, mortgage, insurance, wealth service or all four.
- **Diversifying our income** will see us maintain and grow our mortgage market share, attract new current account customers, while also grow new areas such as business banking and asset finance.
- **Differentiating through customer experience** will mean that we provide a seamless digital first customer experience, complemented by the very best human support, while offering our customers innovative products and services that meet their needs.

We will do this while driving continuous operational efficiencies and prudent cost management, so we can continue to grow and prosper in a sustainable manner, while generating returns for our shareholders. As such, the Bank is undertaking a Strategic Business Transformation (SBT) Programme that focuses on operational improvements and cost efficiency, the outcome of which will be improvements in both customer and colleague experiences and a reduction in costs.

The Bank is expected to remain a predominantly 'Deposit-Led Lender', reducing further its reliance on external wholesale funding, while continuing to meet all regulatory funding requirements, in as efficient an Issuance strategy as possible.

Our value proposition can be summarised as follows: We provide our customers with a digitally-led experience, complemented by human support when needed through our voice and in-person channels. We offer the right products and propositions, at the right price, with strong market share in our target segments.

- We maintain a **Digital-First** approach, meaning we prioritise our App & Online channels for investment and delivery, and we provide our customers with a digitally-led experience
- We are a robust and well-managed Bank with a **Physical presence and regulated in Ireland** by the Central Bank of Ireland
- We offer **innovative propositions, supported by loyalty rewards**
- Our products and propositions are **competitively priced**
- We leverage our **modern and contemporary 'Altogether More Human' brand**, which drives Brand Awareness, Consideration and Affinity

Delivering Our Strategy

The organisation has an integrated plan in place between 2025-27 to ensure our resources and investment are prioritised to deliver against our strategy.

To ensure we can achieve our objectives, our strategy will be delivered under five Value Streams:

- **Own My Home** – Further enhance our mortgage and consumer finance offerings to ensure we can meet the needs of our customers at every stage of their home journey
- **Manage My Money** – Improve our digital experience and launch innovative new products while maximising customer engagement
- **Grow & Run My Business** – Diversify our business by evolving our business banking capabilities and propositions
- **Transform the Bank** – Drive efficiencies through simplification, while investing in people, data, technology, AI and innovation, and elevating our sustainability agenda.
- **Strengthen the Foundations** – Secure customer interest through robust risk management, and maturing our cyber, technology and operational resilience

We have set out detailed three-year delivery plans for each of the Value Streams, and we will track and monitor our performance against key performance indicators throughout our delivery.

2025-27 will again see capital investment of >€100m per annum as we continue to deepen our customer relationships, diversify our income, and differentiate through customer experience, while driving continuous operational efficiencies and prudent cost management.

Delivery Through Five Value Streams

Deepening Customer Relationships, Diversifying Income, Differentiating Through Customer Experience
While Driving Continuous Operational Efficiencies and Prudent Cost Management

Own My Home	Manage My Money (Incl. Payments)	Grow & Run My Business	Transform the Bank	Strengthen the Foundations
New Digital Mortgage Servicing with Self-Serve Capability	Maximise Customer Engagement to increase Average Product Holding	Evolve SME and Asset Finance Capabilities and Propositions	Drive Efficiencies Through Strategic Business Transformation Programme	Prepare for Transition to SSM and Deliver IRB Model Review
Optimise Digital, Voice and in-person Channels to Drive Acquisition	Expand App and Payment Capabilities and Drive Digital Adoption	Develop Digital Credit Proposition for Micro-SMEs	Elevate Sustainability with Strategic Focus on the Social Agenda	Protect Customer Interests Through Robust Risk Management
Introduce new Customer Offerings, including Retrofit	Develop Innovative Customer Propositions that Reward Loyalty	Compete through Enhanced Customer Service	Ongoing Transformation and Investment in People, Data, Technology, AI and Innovation	Mature Cyber, Technology & Operational Resilience

Our Culture – Bringing the lived experience to life

At PTSB, we describe our culture as the way we do things: We are Open. We are Inclusive. We build trust. We are One PTSB.

Culture is the DNA of a company. Our culture shows up in our behaviours - how we work, how we treat our customers and each other, what we focus on, and how we live our Values. Our culture is unique and special. It makes us who we are – friendly, customer and colleague focused, inclusive and caring. We manage risk and comply with regulations, where everyone works to meet our goals and is proud of the part they play.

Every colleague influences our culture at PTSB. How we each think, behave and act makes a difference here. A great culture brings people together by imparting a strong sense of meaning, direction, and passion. Our Culture unites us together as one team to deliver for our customers. We have been continuous and proactive in working to improve and evolve our culture since 2015; keeping and enhancing the elements that make us unique and special, whilst altering any aspects that don't align with our Values and Purpose. We have a made a lot of progress, and we are focused on continuously evolving culture across the Bank.

Cultural evolution is imperative as it influences how people experience our Bank; what it's like for customers to engage with us, for our colleagues to work with us and for our communities to live with us. At PTSB, we describe our culture as the way we do things. Our goal is to create a culture of building trust, where all colleagues have a consistent experience regardless of their role, tenure, location, ways of working or function. Our culture is made up of our Purpose, Ambition and Values. Our Values are articulated through behaviour articles, which help colleagues to understand how to role model our Values. Through our behaviours and the way colleagues work together to support our customers and our communities we live our Values. They are demonstrated in how we handle day-to-day operations, our everyday communication and tasks that create the PTSB way of doing things.

In 2023, we announced a major overhaul of our brand and business repositioning as a full-service, customer-focused personal and business bank. This included a complete rebranding of the Bank from Permanent TSB to PTSB, and the introduction of a new brand promise, 'Altogether More Human', which emphasises PTSB's intentions as a full-service personal and business bank to bring the best of technology and our people together to solve real customer needs and deliver a better banking experience.

Aligned to our brand and business repositioning, our CEO, together with our Executive Committee and Board, evolved our Purpose and our Ambition in 2023.

Our Purpose	**Working together to build trust with our customers and communities.**				
Our Ambition	**To become Ireland's best personal and business bank through exceptional customer experiences.**				
Our Promise	**Altogether more human.**				
Our Culture	**We are Open. We are Inclusive. We build trust. We are One PTSB.**				
Our Values	**Lived Every Day through Our Behaviours**				
	Customer Focus We take due care and consideration for our customers always.	**Courageous** We Speak Freely without fear of negative consequences & welcome diverse perspectives to mitigate group think.	**United** We reinforce accountable leadership through our behaviour.	**Open** We innovate and continuously improve.	**Straightforward** We aim to get it right first time every time.

Our Strategy, Business Model and Culture
(continued)

Living our values and managing risk builds trust. We nurture an accountable and supportive workplace where everyone is encouraged to contribute meaningfully, as we become Ireland's best personal and business bank through exceptional customer experiences. We are committed to creating a supportive and inclusive environment where everyone is welcome and respected. When colleagues can be their authentic selves, they bring their best selves to work. This creates better experiences for all colleagues and leads to leads to exceptional experiences for our customers.

Our Simplified Culture Charter ensures that all colleagues have a consistent understanding of our culture and the expectations of them as well as reflecting our evolved Purpose and Ambition, and our promise to be 'Altogether more human'. It sets out our Purpose, Values and beliefs that guide colleague interactions to support the delivery of our Ambition. Our 12 culture enablers help to nurture and improve our culture.

Everything we are doing to improve our culture comes down to one simple goal – Creating Psychological Safety. Psychological safety is a belief that one will not be punished or humiliated for speaking up with ideas, questions, concerns, or mistakes. By building a Bank where colleagues can be themselves, where they can be at their best, where their contribution is encouraged and valued, and where they are welcomed, respected, recognised, and supported, we will consistently deliver ethical decision making, fair customer outcomes and risk management in everything that we do.

2024 Culture Reflection – embedding our brand promise of being Altogether More Human.

The 2024 implementation of the Individual Accountability Framework (IAF), represents a pivotal step forward for the Irish Banking sector, strengthening a culture of transparency and responsibility. By clarifying individual roles and fostering accountability, IAF supports a positive workplace culture aligned with our core values and regulatory standards. We are building a responsible & sustainable business to deliver for our customers, colleagues & communities. We are committed to building on the cultural improvements made and sustained, and to achieve our espoused culture.

We are making improvements to our culture:

Our Purpose and Values continue to resonate with colleagues	88.9% of colleagues tell us that they understand our Purpose and Values. (Source: Every Voice Counts 2024).
Our culture Index is above target	It is 76% (+6% above target) (Source: Every Voice Counts 2024).
We are proud of our Gender Pay Gap progress to date	It is 16.9%. We have published our Gender Pay Gap Report for the fifth year, and we acknowledge our focus on this area must continue.
We have been awarded the IBEC KeepWell Mark™	As part of our Wellbeing Strategy, we successfully achieved the IBEC KeepWell Mark™, a national health and wellbeing evidence-based accreditation that recognises organisational commitment to employee well-being, safety and health.
Trust in our Bank is above target	71.5% of colleagues trust PTSB to do the right thing (+1.5% above target), and above the external industry benchmark of 63%. (Source: Every Voice Counts 2024). We won the CIPD Award for Elevating the colleague experience (Large Org).

84.7% of colleagues have told us they understand their role, while 87.2% of colleagues say their teams work effectively across functions to deliver for our customers and our communities. Our Risk Culture Index remains strong at 76% (Source: Every Voice Counts 2024).

We have 12 cultural enablers which help shape and guide our cultural journey, and include:

We have continued to focus on improving our culture by embracing 12 cultural enablers, and by being committed to identifying and over-coming cultural blockers. Our dynamic culture diagnostic enables us to include transparent tracking, measurement and reporting of Engagement and Culture on a sustained basis as part of our Risk Appetite. Our 12 cultural enablers include:

Living as Leaders - Join the Conversation

2024 marked the fourth year of our partnership with LIFT Ireland (Leading Ireland's Future Together). Our Living as Leaders programme is designed to support colleagues in role-modelling our Values through their actions and words aligned to our Purpose and Values. This programme isn't about titles or positions; it's about embracing a growth mind-set and being open to improving how our colleagues do things for themselves, each other, our customers, and our communities. By utilising the self-reflective roundtable approach with our behaviour articles, colleagues become more self-aware of their own actions and characteristics. Our Values guide the behaviours we expect of our colleagues. Behaviours practiced over time become habits, which in turn become mind-set. We believe that the consistent actions and behaviours of everyone, every day is essential in creating a better future for one another and for our Bank.

Our Living as Leaders programme is foundational in influencing our culture and is included in our Induction Programme for all new joiners. With the implementation of the IAF in 2024, Living as Leaders is even more important as it provides a practical self-reflective framework to help our colleagues understand the behaviours expected of them aligned to our Values. It supports the improvement of our culture as lived behaviours overtime become habits, which in turn become mind-set. The programme is evolving further in 2025, with each People Leader across the Bank required to run a Living As Leaders roundtable with their team on a monthly basis.

LIFT Ireland is a Not-for-Profit Organisation with a vision to make Ireland a better place to live by creating better leaders across our society and in our communities. LIFT's philosophy aligns closely with that of PTSB's, as they believe that each of us is a potential leader, whether that is within our families, our peer groups, our schools, our sports teams, or our businesses. LIFT believe that by developing personal leadership qualities within each individual, we can develop a generation of stronger and better leaders.

We have further expanded on our partnership with LIFT Ireland to become one of five sponsors of their 'Changing futures for the better – Schools Initiative'. LIFT are already active in over 360 of Ireland's secondary schools where students and teachers have adopted the LIFT Ireland Programme, with the curriculum being delivered to more than 26,000 students in communities across the country in 2024 (86,000 students since LIFT started in 2018).

Speak Freely – Change Behaviour by Starting the Conversation

Our goal is to evolve our culture to ensure that our colleagues feel psychologically safe and empowered to share their voice. As an organisation, we are striving to grow a Speak Freely environment where it is safe and acceptable to raise genuine concerns about practices, processes or behaviours that do not meet our standards or align with our Purpose. Our progress in creating this culture is measured through our Every Voice Counts (EVC) and Micropulse surveys which ask the question *"where I work, people can share their opinion without fear of negative consequences"*. The 2024 EVC survey found 74.3% of colleague respondents felt psychologically safe and the Micropulse 2024 survey found 74% of colleague respondents felt psychologically safe in the Bank. In addition, we monitor the usage of the Speak Freely procedure and include this in our KRI reporting, which particularly focuses on a key indicator of trust – that colleagues feel confident to raise concerns in a non-anonymised manner.

Our Speak Freely Procedure protects colleagues who wish to raise a concern or to make a protected disclosure, relating to actual or potential wrongdoing in the workplace, and ensures that they can do so without any fear of retribution or penalisation. We have a number of different channels through which a concern can be raised. The Bank has in place procedures to deal with any protected disclosures that may arise as part of Speak Freely and reports to the Executive Committee and Board on a half yearly basis.

To continue our embedding plan, in 2024 we delivered a number of initiatives to further educate, track and highlight examples of speaking up. Most notably was the Bank's Speak Freely week which saw significant engagement from colleagues across the business on the various initiatives taking place including videos, physical and digital material, training, information sessions and external speakers. During the week, there was a significant increase in colleague engagement demonstrating the importance of a psychological safety campaign.

In addition to this, the embedding plans also include:

- Training People Managers and Speak Freely Champions on Speak Freely and Protected Disclosure procedures, and colleague conduct;
- Mandatory Completion of Colleague Conduct Training by all colleagues which included further awareness and focus on Speak Freely;
- Embedding of the Irish Banking Culture Boards' DECiDE Framework on ethical decision making and the Bank's Team Culture Charter;
- Regular Reporting on Speak Freely concerns to the Exco and Board;
- Developing and sharing of Speak Freely Management Information with colleagues and acting on feedback from the bank wide Every Voice Counts survey and 'Speak Freely' Micro-Pulse survey and subsequent focus groups; and
- Customer Focus – this year also saw a greater link with the customer and ensuring that colleagues are raising process improvements for customers through dedicated Customer Speak Freely Champions.

Ways of Working (Hybrid Flexible Working)

In 2020 the Bank introduced a Smart Working Framework to enable optionality and to provide more flexible ways of working for colleagues, while encouraging the use of a broader range of technology at all levels of the organisation.

Through that Framework, we sought to create a reimagined, customer-centric PTSB work environment which fits our strategic design criteria across the areas of Organisational Design, Property, Technology and New Ways of Working. It includes range of options available such as: reduced hours; job sharing; compressed hours; sabbaticals and career breaks; home working or working from an alternative office location.

To support smarter working, we have rolled out several initiatives to enable adoption including Infographics, Team Commitment Charters, Collaboration Zones, Colleague Personas and Kits, new Ways of Learning, and a No Meeting Slot.

Throughout 2024 we have continued to evolve our Flexible & Hybrid Workplace to a work environment that is fit for now, and fit for the future, enabling improved flexibility and choice for a great colleague experience. We have created three dimensions of the Flexible & Hybrid Workplace that we consider, cohesively integrate, coherently communicate, and consistently monitor through adoption and embedding: Physical Dimension [Where we work], Digital Dimension [Tools for work] and Behavioural Dimension [How we work]

Whilst continue to enable the Flexible & Hybrid Workplace in 2024, a Hybrid Working Group was established comprised of representatives from HR Business Partnering, People Experience, Group Technology and Facilities. This Working Group supports the ongoing review of Hybrid Working arrangements for colleagues under the mentioned dimensions and address colleague's needs. Feedback from the Bank's respective surveys are used to receive colleague feedback and understand what areas need to be addressed based on colleague feedback.

As the world of work continues to evolve and the pace and impact of digitisation continues, we are placing our customers, colleagues, and communities at the centre of our decision making to ensure that we continue to build trust and make a positive impact in their lives.

Values in Practice Awards

At PTSB we are fostering a culture of recognition, enabling colleagues to recognise each other from across the organisation who are living the Bank's Values and are making a positive impact to our business, our customers and our community. We have two 'Values In Practice' or 'VIP' recognition programmes available to celebrate the great examples of colleagues living our Values in work and in our communities; (1) Annual VIP Awards (which enables colleagues to recognise the outstanding contribution of individuals during a fixed nomination period), and 2) VIP Everyday Recognition (which is available all year around enabling colleagues to say thank you every day). With over 2,400 nominations received, 2024 marked the highest level of recognition to date since the VIP Annual Awards were launched seven years ago. Colleagues from all across the organisation were recognised by their peers under our five 'Values' categories, and the additional categories of Community Impact Award and Living as Leaders Award. There were over 2,650 VIP Everydays sent in 2024, which were received by over 1,350 colleagues.

People Experience Council (PEC)

As a group of leaders within the organisation, across multiple levels and functions, PEC members are empowered and mandated by their ExCo member to work with teams in their area as they seek to drive and support positive cultural and behavioural change. The PEC members listen to elevate colleague feedback and work to support the culture evolution in their function to address behavioural inconsistencies across the Bank, and to improve trust with our customers. As respected colleagues both, in their division and across the bank, they lead the development of their Every Voice Counts (EVC) action plan to address areas of improvement.

The Individual Accountability Framework (IAF) & How the Bank Provides Assurance on Culture

IAF plays a critical role in driving cultural change by embedding accountability at the individual level. IAF is designed to foster a culture of accountability, where senior leaders must actively demonstrate and promote ethical behaviour, transparency, and regulatory compliance throughout the organisation. This focus on personal responsibility encourages a culture where decisions are made with a greater sense of diligence and alignment with the organisation's values, reinforcing a culture of accountability across all levels.

IAF is a positive enabler, helping to create an environment where culture is not just a shared commitment but a standard of conduct that is actively monitored and upheld. The IAF Conduct Standards are also embedded into the agendas of key governance committees within PTSB. This includes, but is not limited to, the Nomination, Culture and Ethics Committee (NomCo), the Colleague Conduct Committee and Customer Committee which have all been updated to support the IAF Conduct Standards obligations for the Bank.

"At PTSB we are fostering a culture of recognition, enabling colleagues to recognise each other from across the organisation who are living the Bank's Values and are making a positive impact to our business, our customers and our community."

IBCB

The Irish Banking Culture Board (IBCB)

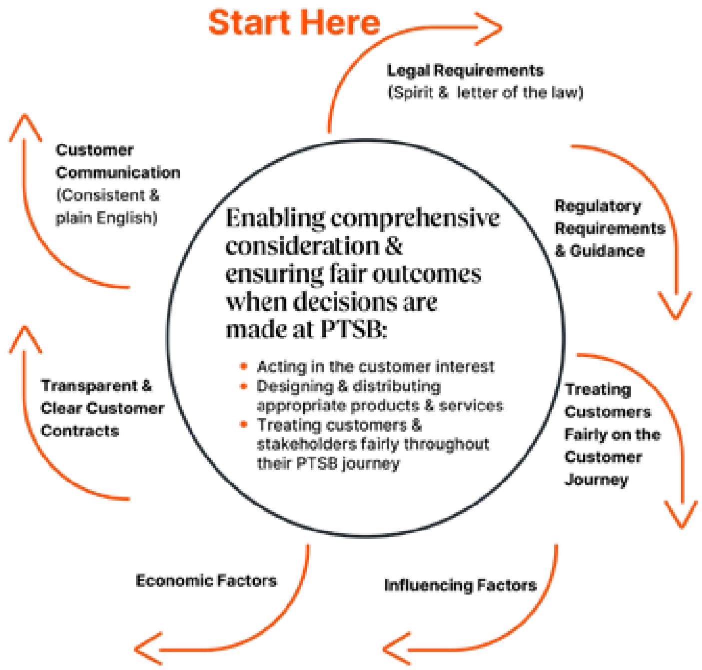
Established in 2018, the IBCB is an independent industry initiative funded by the three retail banks in Ireland. Its aim is to rebuild trust in the sector through demonstrating a change in behaviour and overall culture. PTSB were delighted to support in the launch of the inaugural the IBCB Pride in Banking Awards in 2024. PTSB colleagues received 158 nominations recognising a total of 330 PTSB colleagues.

We also continued embedding the IBCB's DECiDE (Ethical Decision Making) framework, as part of our Code of Ethics. The DECiDE framework acts as a practical guide and tool for colleagues, regardless of level, when making difficult decisions on a day-to-day basis. We look forward to continuing our work with the IBCB in 2025 and beyond, as we work hard to re-build trust in the banking sector together.

Our Customer Yes Checks - Enabling comprehensive consideration & ensuring fair outcomes when decisions are made at PTSB.

We are building a trustworthy and sustainable business - one that has the best interests of colleagues and customers at heart, and one that makes a positive and lasting impact on our community. Our Culture Charter guides how we make decisions through our Purpose and Values. However, sometimes decisions are not simple and/or straightforward and in 2022 we developed and piloted 'Our Customer Yes Checks' to help colleagues weigh up the impact and consider the consequences of our decisions, so that we make the best decisions each day, every day.

Our Customer Yes Checks are designed to enable good debate, ensuring that no strategic decision is taken before different views have been considered and the related risks have been assessed. Ethical dilemmas are difficult, especially when there is no obvious 'right thing to do'. We recognise that we have more to do to help colleagues to act ethically every day, by



Customers	Am I satisfied that this proposal treats customers fairly on the Customer Journey where this proposal supports our brand promise of putting the customer need at the centre of how we plan, design and deliver?
Colleague	Will this proposal improve the experience of our colleagues and support an open, inclusive and accountable culture? i.e., Does it reflect the reality of the situation on the ground, and enable colleagues to keep their promises and fulfil their obligations?
Clear & Simple Communication	Am I satisfied that this proposal is clear and simple to understand using plain English, with accurate and key information that meets legal and regulatory requirements?
Ethical & Fair	Am I satisfied that this proposal feels ethical, morally right, and fair, upholding the ethical expectations described in both Common and Additional Conduct Standards?
Risk & Compliance	Am I satisfied that this proposal will support our Risk Culture and protect us from any undue risk, and complies in full with our legal and regulatory requirements?
Sustainability	Am I satisfied that this proposal will contribute to building a sustainable business that is Environmental, Social and Governance focused?
Profitable Growth	Am I satisfied that this proposal will support sustainable and capital efficient profit generation for the Bank?
Alternative Considered	Was there an alternative considered? What was the alternative and why was it not selected?

creating a safe space to talk about ethical dilemmas and judgement calls more frequency. We need to encourage the use of the DECiDE framework for day-to-day decision-making, embedding it in to how we operate our business.

In 2024, we further iterated our Yes Checks, based on Committee feedback, research and best practice, and incorporated a Customer Wheel. In addition, we evolved the name to be Our Customer Yes Checks. Following approval by the Nominations and Ethics Committee, Our Customer Yes Checks are rolling out across all Tier 1-4 Committees.

Culture in 2025 and Beyond

We are committed to living our Values every day, as they orient our behaviours and guide our decision making. We will continue our culture journey in 2024, to embed our new Brand, the delivery of our evolved Purpose and Ambition and embedding our Culture Statement.

Our key activities to continue our culture evolution will include:

- **Living as Leaders:** Role-modelling our Values through our actions and words by Living as Leaders every day.
- **Speak Freely:** Creating an environment where everyone feels safe to Speak Freely and to develop an innovative mindset.
- **Diversity, Equity & Inclusion:** Building a bank where everyone is included and encouraged to share different views and perspectives.
- **Smart Working Framework:** Supporting colleagues with new trust-based ways of working on a sustainable basis.
- **Wellbeing:** Supporting colleagues to bring their best selves to work in all aspects of their working day.
- **Customer Focus:** Building trust-based relationships with customers with due care and consideration always.
- **Risk Integration & Management:** Providing the supports and tools to help integrate and manage risk in all that we do every day.
- **Strong Stakeholder Engagement:** Listening and actioning feedback to align our Colleagues, Customers and Community.
- **Quality Communications (Internal):** Communicating in a way which is simple, clear and connects with every colleague.
- **Reputation Management (External):** Protecting, enhancing, and measuring our reputation in the community.
- **Brand:** Positioning PTSB to bring our Purpose to life.
- **Culture Measurement:** Encouraging colleagues to share their feedback to improve the colleague experience.
- **Cultural Integration:** Stimulating our Culture with the best of all acquired businesses "ways of doing things" in evolving our culture to deliver on our ambition.

What are we focusing on next?

Since our cultural journey began in 2015, we have worked hard to make and sustain improvements, recognising that there is more work to do across the Bank. We know that our cultural journey will continue as we seek to create a consistent cultural experience for all colleagues with customer trust at the heart.

As we look ahead, the key areas of focus for us will be to continue:

- Integrating a Customer-Centric mindset
- Embedding Ethical Decision-Making
- Building a Culture of Individual Accountability
- Creating a consistent colleague experience focused on culture integration.
- Creating a More Diverse, Equitable, and Inclusive PTSB

Financial Review

The Group's strong financial performance in 2024 has been supported by the positive macroeconomic environment, robust employment, improved collateral values and strong asset quality. The continued high interest rate environment has generated an increase in average rates across the Group's mortgage products resulting in higher gross interest income. This is offset by an increase in cost of funds due to the growth in deposit volumes which was primarily in higher interest-bearing retail deposits, including market-leading rates on six-month and one-year deposits. The expansion and diversification of the Group's business banking offering has also contributed to the overall growth in interest income.

The Group has returned an underlying profit of €180m for the year ended 31 December 2024, which is an increase of €14m from in 2023. Net interest income has decreased by 1% compared with last year. Total operating expenses (excluding exceptional and other non-recurring items) have increased by 5% year on year, primarily driven by higher headcount. Strong underlying performance and robust asset quality within the loan book, together with the favourable macro-economic environment and improved collateral values have resulted in an impairment write-back of €39m on loans and advances to customers for the year ended 31 December 2024, compared to an impairment write-back of €2m in 2023. The above are the main items which result in the Group delivering an overall profit before tax for the year of €159m, which is an increase of €80m compared to 2023.

The Group continued to manage its capital and liquidity positions prudently during the year. The liquidity and capital positions of the Group remain well above all minimum regulatory requirements, with CET1 and total capital sitting at 14.7% and 20.4% respectively. The liquidity cover was ratio was 255%, and the net stable funding ratio was 166%.

Asset quality has continued to remain strong during 2024. Our customers have continued to manage the impacts of inflation and higher interest rate environment. The Group's NPL ratio for the year ended 31 December 2024 is 1.8%, a decrease of 150bps compared with 2023. The Group continues to monitor and manage carefully the impact of inflation on our customers and any expected credit losses.

The outlook for the Bank remains strong, and the Group expects to deliver sustainable profitability over the medium term.

Basis of preparation

The financial review is prepared using International Financial Reporting Standards (IFRS) and non-IFRS measures to analyse the Group's financial performance for the financial year ended 31 December 2024.

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

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

The Group has a tightly drawn accounting policy for exceptional items (see note 1) and exceptional items are considered to include:

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

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

A reconciliation between the underlying profit and operating profit on an IFRS basis is set out on page 410.

Management has provided further information on IFRS and non-IFRS measures including their calculation in the Alternative Performance Measures (APM) section on pages 410 to 417.

Basis of calculation

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

Management performance summary consolidated income statement

	Table	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Net interest income	1	**612**	620
Net fee and commissions income		**55**	42
Net other income		**5**	6
Total operating income		**672**	668
Total operating expenses (excl. exceptional items and other non-recurring items, bank levy and other regulatory charges)	3	**(498)**	(444)
Bank levy and other regulatory charges		**(33)**	(60)
Underlying profit before impairment*		**141**	164
Impairment write-back on loans and advances to customers	4	**39**	2
Underlying profit before exceptional and other non-recurring items		**180**	166
Exceptional items comprise:	5	**-**	(28)
Costs incurred in relation to Ulster Bank transaction		**-**	(31)
Impairment write-back arising from deleveraging of loans pre-2021		**2**	5
Restructuring and other costs		**(2)**	(2)
Other non-recurring items comprise:	5	**(21)**	(59)
Impairment charge on Ulster Bank transaction		**-**	(52)
Impairment charge on deleveraging of loans		**(9)**	-
Charges in relation to legacy legal cases		**(3)**	(2)
Other		**(9)**	(5)
Profit before taxation		**159**	79
Taxation		**3**	(11)
Profit for the year		**162**	68

* See table 1 in the Alternative Performance Measures on page 410 for a reconciliation of underlying profit to operating profit on an IFRS basis.

Management performance summary consolidated income statement - key highlights

- **Total operating income** has increased by €4m during 2024 primarily due to:
  - **Net interest income** decreased by €8m (1%) during 2024 to €612m. The decrease is driven by increases in volume and underlying cost of retail deposits and increases in cost of wholesale funding, exceeding increases in interest income on loans and advances to customers.
  - **Net fee and commission income** is €55m for the year ended 31 December 2024, an increase of €13m compared to 2023. The increase is primarily due to additional fee income on current accounts.
  - **Net other income** is €5m for the year ended 31 December 2024 compared to €6m at 31 December 2023. Net other income primarily comprises sale of properties and FX gains.
- **Total operating expenses (excl. exceptional items and other non-recurring items, bank levy and other regulatory charges)** are €498m for the year ended 31 December 2024 compared to €444m at 31 December 2023. The increase is driven by increased staff costs due to higher average headcount, the increase in technology licencing costs, and cost inflation pressure.
- **Impairment** is a write-back of €39m on loans and advances to customers for the year ended 31 December 2024, compared to a write-back of €2m for the year ended 31 December 2023. This write-back reflects the strong underlying performance and robust asset quality within the loan book, together with a favourable macro-economic environment.
- **Bank levy and other regulatory charges** amounted to €33m for the year ended 31 December 2024, compared to €60m for the year ended 31 December 2023. The decrease is primarily due to a €28m reduction in the Deposit Guarantee Scheme (DGS) fees for 2024, due to the DGS fund reaching its target level in 2024. Additionally, the Single Resolution Fund fee for the year ended 31 December 2024 was €nil (31 December 2023: €4m).
- **Other non-recurring items** amount to a charge of €21m for the year ended 31 December 2024. They comprise €3m in provisions relating to legacy legal cases, an impairment charge of €9m in relation to the Glas III loan portfolio sale, and €9m in accelerated amortisation of intangible assets.

Net interest income	Net interest margin
€612m	2.20%

Table 1: Net interest income

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Interest income	**899**	778
Interest expense	**(287)**	(158)
Net interest income	**612**	620
Net interest margin (NIM)	**2.20%**	2.32%

Net Interest Income

Net interest income of €612m for the year ended 31 December 2024 decreased by €8m (1%), compared to the prior year. This is mainly driven by the following:

- higher cost of funds due to growth in deposit volumes primarily in higher interest-bearing retail deposits, and an increase in wholesale funding costs, offset by;
- higher interest income from lending, due to higher average rates across mortgage products driven by the higher interest rate environment over the past number of years, and
- an increase in interest income due to a recognition of a full year's income in 2024 on the Asset Finance business which migrated in H2 2023.

Table 2: Average balance sheet*

	Year ended 31 December 2024			Year ended 31 December 2023		
	Average balance	Interest	Average yield/ rate	Average balance	Interest	Average yield/ rate
	€m	€m	%	€m	€m	%
Interest-earning assets						
Loans and advances to customers	**21,221**	**747**	**3.52%**	20,547	661	3.22%
Debt securities	**3,855**	**65**	**1.69%**	3,242	36	1.11%
Loans and advances to banks	**2,610**	**87**	**3.33%**	2,795	81	2.90%
Total average interest earning assets	**27,686**	**899**	**3.25%**	26,584	778	2.94%
Non interest earning assets	**1,000**			937		
Total assets	**28,686**	**899**		27,521	778	
Interest-bearing liabilities						
Customer accounts	**23,541**	**139**	**0.59%**	22,340	43	0.20%
Debt securities in issue	**1,686**	**115**	**6.82%**	1,222	71	5.81%
Lease liabilities	**34**	**1**	**2.94%**	29	1	3.41%
Subordinated liabilities	**250**	**9**	**3.60%**	254	8	3.15%
Deposits by banks	**567**	**23**	**4.06%**	1,051	35	3.33%
Total average interest-bearing liabilities	**26,078**	**287**	**1.10%**	24,896	158	0.64%
Non-interest-bearing liabilities	**151**			201		
Total liabilities	**26,229**	**287**		25,097	158	
Total average equity attributable to owners	**2,457**			2,424		
Total equity and liabilities	**28,686**			27,521		
Net interest margin			**2.20%**			2.32%

* Where applicable, 2024 line items include hedging derivative balances and hedging income and expense

Net interest margin

NIM decreased by 12bps to 2.20% for the year ended 31 December 2024 compared to 2.32% for the prior year. The NIM of the Group has decreased due to increases in deposit costs and wholesale funding. This is partially offset by higher interest income.

Interest income/average interest earning assets

- Interest income on loans and advances to customers increased by €86m driven by increased average rates across mortgage products driven by the higher interest rate environment over the past number of years, and the migration of the Asset Finance business in H2 2023.
- Interest income on debt securities increased by €29m due to lower yielding debt securities being replaced by higher yielding assets, reflecting market movements. The asset mix has a similar risk profile to those being replaced.
- Interest income on loans and advances to banks increased by €6m due to higher yields on excess liquidity held with the central bank and treasury activity.

Interest expense/average interest bearing liabilities

- Interest expense on customer accounts has increased by €96m. This increase reflects an increase in average balances and migration to higher rate term deposit accounts.
- Interest expense on debt securities in issue increased by €44m during the year due to higher average volumes and the full year impact of the 2023 issuances. A €500m MREL-eligible Green Bond was issued in April 2024.
- The average balance of subordinated liabilities remained consistent year on year. The average balance of deposits by banks reduced from the prior period due to a reduction in repurchase activity.

Table 3: Total operating expenses

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Staff costs		
Wages and salaries (including commission paid to sales staff)	**190**	165
Social insurance	**22**	19
Pension costs	**21**	17
Total staff costs	**233**	201
Other general and administrative expenses[1]	**183**	176
Administrative, staff and other expenses	**416**	377
Depreciation of property and equipment	**29**	27
Amortisation of intangible assets[2]	**53**	40
Total operating expenses (excluding exceptional and other non-recurring items, bank levy and regulatory charges)	**498**	444
Bank levy	**23**	22
Other regulatory charges	**10**	38
Total operating expenses (excluding exceptional and other non-recurring items items)	**531**	504
Headline cost to income ratio[3]	**79%**	75%
Adjusted cost to income ratio[4]	**74%**	66%
Closing staff numbers[5 6]	**3,359**	3,330
Average staff numbers[6]	**3,349**	3,055

1 Excludes €3m of cost relating to legacy legal cases presented in non-recurring items.
2 Excludes €9m amortisation presented in non-recurring items.
3 Defined as total operating expenses (excluding exceptional and other non-recurring items) divided by total operating income.
4 Defined as total operating expenses (excluding exceptional, other non-recurring items, bank levy and regulatory charges) divided by total operating income.
5 Closing staff numbers are calculated on a full time employee basis.
6 Includes staff on long-term absence, career breaks and maternity leave.

Operating expenses

Staff costs

Staff costs have increased by €32m during 2024, primarily due to an increase in average FTE of 294 across the Bank during 2024, along with increases in average salaries as a result of performance related pay.

General and administrative expenses

Other general and administrative expenses have increased by €7m during 2024, due to the increase in technology licencing costs and cost inflation pressures.

Amortisation of intangible assets

Amortisation has increased by €13m when compared to 2023. This is mainly due to increased investment spend in recent years, which is primarily driven by investment in the Bank's Digital Banking programme. An additional €9m of accelerated amortisation on intangible assets was recognised as a non-recurring item during the year.

Adjusted cost income ratio

Total operating expense (excluding exceptional and other non-recurring items, bank levy and regulatory charges) of €498m and total operating income of €672m for the year ended 31 December 2024 results in an adjusted cost income ratio of 74% for 2024, compared to an adjusted cost income ratio of 66% for the year ended 31 December 2023. The adjusted cost income ratio has increased during the year as a result of higher operating costs, with operating income remaining in line with 2023.

Bank levy and other regulatory charges

Bank levy and other regulatory charges amounted to €33m for the year ended 31 December 2024. Other regulatory charges include €4m for the Central Bank Industry Funding Levy (31 December 2023: €4m) and €2m related to other regulatory charges (31 December 2023: €2m).
Deposit Guarantee Scheme (DGS) fees were €nil (31 December 2023: €28m). The DGS fund reached its target level during 2024, and therefore future contributions will be based on maintaining the fund at that level. The Single Resolution Fund fee for the year ended 31 December 2024 was €nil (31 December 2023: €4m).

Impairment

€39m write-back

Table 4: Impairment

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Total impairment write-back on loans and advances to customers	**39**	2

The impairment write-back is €39m on loans and advances to customers for the year ended 31 December 2024, compared to a write-back of €2m for the year ended 31 December 2023. This write-back reflects the strong underlying performance and asset quality within the loan book, together with a favourable macro-economic environment and improved collateral values. €9m of impairment on deleveraging is presented in non-recurring items.

Exceptional and other non-recurring items

€21m

Table 5: Exceptional and other non-recurring items

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Exceptional items		
Costs incurred in relation to Ulster Bank transaction	**-**	31
Impairment write-back arising from deleveraging of loans pre-2021	**(2)**	(5)
Restructuring and other costs	**2**	2
Other non-recurring items		
Impairment charge on Ulster Bank transaction	**-**	52
Impairment charge on deleveraging of loans[1]	**9**	-
Other items[2]	**12**	7
Exceptional items and other non-recurring items	**21**	87

[1] Included in IFRS impairment charge
[2] €3m included in IFRS administrative, staff and other expenses and €9m included in amortisation of intangible assets relating to 2024

Exceptional items

Exceptional and other non-recurring items, as viewed by Management for the year ended 31 December 2024 is a charge of €21m which comprises:

Impairment arising from the deleveraging of loans pre-2021
€2m has been released in relation to warranty provisions held on deleveraging transactions that the Group executed in prior years.

Restructuring and other costs
Restructuring and other costs of €2m relate to costs arising in respect of a previous disposal of a business (€1m) and a provision release.

Other non-recurring items
Impairment charge on deleveraging of loans
An impairment charge of €9m was recognised on the sale of the Glas III portfolio during the year.

Other items
Include accelerated amortisation on intangible assets of €9m and €3m in charges relating to legacy legal cases.

Summary consolidated statement of financial position

	Table	31 December 2024 €m	31 December 2023 €m
Assets			
Home loans		**19,629**	19,574
Buy-to-let		**389**	590
Total residential mortgages		**20,018**	20,164
Commercial mortgages		**443**	371
Consumer finance (including finance leases and hire purchase receivables)		**962**	892
Total loans and advances to customers (net of provisions)	6	**21,423**	21,427
Debt securities		**4,327**	3,256
Remaining asset balances		**3,182**	3,072
Total assets		**28,932**	27,755
Liabilities and equity			
Current accounts		**9,187**	9,329
Retail deposits		**13,465**	12,320
Corporate and institutional deposits		**1,468**	1,317
Total customer accounts	8	**24,120**	22,966
Debt securities in issue		**1,731**	1,512
Remaining liabilities		**549**	858
Total liabilities		**26,400**	25,336
Total equity		**2,532**	2,419
Total equity and liabilities		**28,932**	27,755
Liquidity coverage ratio[1]		**255%**	220%
Net stable funding ratio[2]		**166%**	155%
Loan to deposit ratio[3]		**89%**	93%
Return on tangible equity[4]		**7.5%**	6.5%

[1] Calculated based on the Commission Delegated Regulation (EU) 2015/61.
[2] Defined as the ratio of available stable funding to required stable funding (Article 428b)
[3] Defined as the ratio of loans and advances to customers compared to customer accounts as presented in the statement of financial position.
[4] Defined as profit after tax less AT1 coupons paid (before exceptional and non-recurring items) expressed as a percentage of targeted CET1 capital

Summary consolidated statement of financial position - key highlights

- **Loans and advances to customers (net of provisions)** are €21,423m as at 31 December 2024, remaining in line with 2023. An increase in performing exposures driven by new lending volumes is offset by the reduction of the non-performing loan book due to the Glas III portfolio sale during the year.
- **Debt securities** are €4,327m as at 31 December 2024, an increase of €1,071m from €3,256m at 31 December 2023 due to the purchase of additional bonds in 2024.
- **Remaining asset balances** are €3,182m as at 31 December 2024, an increase of €110m from €3,072m at 31 December 2023. This is primarily due to an increase in deposits held with the CBI.
- **Customer accounts** are €24,120m at 31 December 2024, an increase of €1,154m from 31 December 2023, reflecting a strong performance in acquiring and retaining Customer deposits.
- **Remaining other liabilities** decreased by €309m primarily due to a reduction in repurchase agreements at year end when compared to 2023.

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

	31 December 2024 €m	31 December 2023 €m
Gross loans and advances to customers 1 January	**21,688**	19,804
New lending[1]	**2,442**	2,337
Loans migrated[1]	**-**	1,490
Redemptions and repayments of existing loans	**(2,252)**	(1,923)
Write-offs and restructures	**(22)**	(19)
Net movement from non-performing and other[2]	**(341)**	(1)
Gross loans and advances to customers 31 December	**21,515**	21,688

[1] Net of repayments during the year
[2] 2024 includes Glas III loan portfolio sale

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

	31 December 2024 €m	31 December 2023 €m
Residential mortgages:		
Home loans	**19,539**	19,557
Buy-to-let	**464**	749
Total residential mortgages	**20,003**	20,306
Commercial	**493**	437
Consumer finance	**553**	499
Finance leases and hire purchase receivables	**466**	446
Gross loans and advances to customers	**21,515**	21,688
Of which are reported as non-performing loans	**382**	718
Deferred fees, discounts and business combination related fair value adjustments	**300**	309
Provision for impairment	**(392)**	(570)
Total loans and advances to customers	**21,423**	21,427

Total loans and advances to customers (net)

€21,423m

Total loans and advances to customers (after provisions for impairment) of €21,423m at 31 December 2024, remained in line with 2023. An increase in performing exposures driven by new lending volumes is offset by the reduction of the non-performing loan book due to the Glas III portfolio sale during the year.

Total gross new lending for the year ended 31 December 2024 amounted to €2,622m, down 7% from €2,831m in 2023. New mortgage lending represented 78% of gross total new lending, compared to 82% in 2023, as volumes decreased 12% year-on-year. However, there was a notably strong performance in the second half of the year where volumes almost doubled those in the first half. Mortgage applications (+19%) and mortgage approvals (+13%) increased compared to 2023, driven by this strong performance in H2 2024. PTSB's mortgage drawdown market share dropped from 19.2% in 2023 to 16.4% in 2024, however closed with a strong Q4 2024 share of 20.2%.

Housing supply has increased based on most recent data showing there were over 60,000 new homes commenced during 2024, up 84% from the circa 33,000 recorded in 2023.

SME lending for 2024 was €213m, which is a 28% increase compared to SME lending for 2023. Asset finance lending for 2024 was €221m, commercial business to business lending was up 9%, the motor division saw stronger growth in unit stock to the forecourts, while retail motor finance was marginally back on 2023.

The Group recorded gross new term lending of €132m in 2024. This is a 13% increase compared to 2023.

NPLs	NPLs as a % of gross loans
€382m	1.8%

Table 7: NPLs

	31 December 2024 €m	31 December 2023 €m
Home loans	**259**	403
Buy-to-let	**71**	267
Commercial	**24**	20
Consumer finance	**20**	16
Finance leases and hire purchase receivables	**8**	12
Non-performing loans	**382**	718
NPLs as % of gross loans	**1.8%**	3.3%
Foreclosed assets*	**7**	11
Non-performing assets (NPAs) **	**389**	729
NPAs as % of gross loans	**1.8%**	3.4%

* Foreclosed assets are defined as assets held on the balance sheet which are obtained by taking possession of collateral or by calling on similar credit enhancements.
** Non-performing assets are defined as NPLs plus foreclosed assets.

NPLs as a percentage of gross loans were 1.8% at 31 December 2024, an improvement of 150bps compared with 2023. The decrease was driven by the non-performing Glas III loan portfolio sale during the year. We remain committed to providing ongoing support to our customers as they navigate the impact of increased living costs and higher interest rates.

Customer accounts

€24,120m

Table 8: Customer accounts

	31 December 2024 €m	31 December 2023 €m
Current accounts	**9,187**	9,329
Retail deposits	**13,465**	12,320
Total retail deposits	**22,652**	21,649
Corporate deposits	**1,468**	1,317
Total customer deposits	**24,120**	22,966
Loan to deposit ratio*	**89%**	93%

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

At 31 December 2024, customer accounts increased to €24,120m from €22,966m at 31 December 2023, reflecting a strong performance in acquiring and retaining customer deposits, an increase of 5% since December 2023.

The loan to deposit ratio has decreased due to the increase in customer accounts.

Capital Management

Capital management objectives and policies

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

Regulatory framework

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

Implementation of the CRD IV legislation commenced on a phased basis from 1 January 2014. The CRD IV transition rules resulted in a number of deductions from CET1 capital being introduced on a phased basis, all of which are now fully implemented. The ratios outlined in this section reflect the Group's interpretation of the CRD IV rules as published on 27 June 2013 and subsequent clarifications, including ECB regulation 2016/445 on the exercise of options and discretions.

Regulatory capital developments

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

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

Co-legislators confirmed that the new CRR rules will be applicable from 1 January 2025.

The Central Bank increased the Countercyclical Buffer ("CCyB") to 1.5% in June 2024. This is in line with the Central Bank's objective of building up the CCyB to 1.5% when risk conditions are deemed to be neither elevated nor subdued. Future CCyB rate decisions will be based on macro-financial conditions in a manner consistent with this strategy.

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

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

Regulatory capital requirements

The Group's 31 December 2024 capital requirements have been updated to reflect the Group's most recent SREP Assessment.

The Group's Common Equity Tier1 (CET1) Capital Requirement of 10.33% (31 December 2023: 9.83%) is comprised of a Pillar 1 minimum requirement of 4.5%, P2R of 1.83%, Capital Conservation Buffer (CCB) of 2.5% and CCyB increased from 1.0% to 1.5% in June 2024.

The Group's Total Capital Requirement of 15.25% (31 December 2023: 14.75%) is comprised of a Pillar 1 minimum requirement of 8%, P2R of 3.25%, CCB of 2.5% and CCyB of 1.5%.

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

Capital ratios at 31 December 2024

At 31 December 2024, the regulatory CET1 is 14.7% (31 December 2023: 14.3%) and total capital ratio is 20.4% (31 December 2023: 20.0%), exceeding the Group's 2024 capital requirement of 10.33% CET1 and 15.25% total capital.

The increase in the transitional CET1 ratio (+40bps) in the year is primarily due to increasing capital generated from 2024 P&L profit, partially offset by AT1 coupon payments, investment in intangible software assets, and RWA reduction due to NPL Disposal (Glas III).

The 31 December 2024 leverage ratio is 7.1% (31 December 2023: 7.3%). The decrease in the year is primarily due to increased balance sheet growth, partially offset by an increase in Tier 1 Capital.

Table 9 outlines the Group's regulatory transitional and fully loaded capital positions under CRDIV/CRR2. At 1 January 2024, all transitional prudential adjustments are fully phased in and, therefore, Fully Loaded and Transitional Capital Ratios are equal.

Table 9: Regulatory capital

	31 December 2024		31 December 2023	
	Transitional €m	Fully loaded €m	Transitional €m	Fully loaded €m
Capital Resources:				
Common Equity Tier 1	**1,684**	**1,684**	1,647	1,616
Additional Tier 1	**368**	**368**	368	368
Tier 1 Capital	**2,052**	**2,052**	2,015	1,984
Tier 2 Capital	**292**	**292**	290	290
Total Capital	**2,344**	**2,344**	2,305	2,274
Risk Weighted Assets	**11,494**	**11,494**	11,546	11,546
Capital Ratios:				
Common Equity Tier 1 Capital	**14.7%**	**14.7%**	14.3%	14.0%
Tier 1 Capital	**17.9%**	**17.9%**	17.5%	17.2%
Total Capital	**20.4%**	**20.4%**	20.0%	19.7%
Leverage Ratio*	**7.1%**	**7.1%**	7.3%	7.2%

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

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

Table 10: CET1 Capital

	31 December 2024		31 December 2023	
	Transitional €m	Fully loaded €m	Transitional €m	Fully loaded €m
Total Equity	**2,532**	**2,532**	2,419	2,419
Less: AT1 Capital	**(368)**	**(368)**	(368)	(368)
Adjusted Capital	**2,164**	**2,164**	2,051	2,051
Prudential Filters:				
Intangibles	**(144)**	**(144)**	(95)	(95)
Deferred Tax	**(312)**	**(312)**	(277)	(308)
Calendar Provisioning	**(17)**	**(17)**	(24)	(24)
AT1 Distribution Accrual	**(7)**	**(7)**	(7)	(7)
Others	**-**	**-**	(1)	(1)
Common Equity Tier 1	**1,684**	**1,684**	1,647	1,616

Regulatory capital

The 31 December 2024 regulatory CET1 capital increased by €37m to €1,684m (31 December 2023: €1,647m). The increase is primarily due to profit recognised in the year (c.+€161m) partially offset by increased prudential deduction for Intangible Assets (-€49m) and annual phasing of Deferred Tax Asset (-€35m) and AT1 Coupon payments (-€43m).

Capital Management
(continued)

Minimum Requirement for Own Funds & Eligible Liabilities (MREL)
The Group's fully phased in MREL Minimum Regulatory and Combined Buffer Requirement at 31 December 2024 is 28.60% (31 December 2023: transitional of 25.48%) of Total Risk Exposure Amount (TREA) and 5.91% on a Leverage Ratio basis (31 December 2023: 5.91%). The MREL Minimum Regulatory and Combined Buffer Requirement consists of SRB requirement of 24.60% and the Group's CBR of 4.0% at 31 December 2024 comprising the CCB of 2.5% and CCyB of 1.5%.

The Group's MREL position at 31 December 2024 is 35.2% on an RWA basis and 14.0% on a leverage basis. The Group maintains an internal management buffer over its MREL requirements at all times.

Risk weighted assets (RWAs)
Table 11 sets out the Group's RWAs at 31 December 2024 and 31 December 2023.

Table 11: Risk Weighted Assets

	31 December 2024		31 December 2023	
	Transitional	Fully loaded	Transitional	Fully loaded
	€m	€m	€m	€m
RWAs				
Credit risk	**9,705**	**9,705**	9,693	9,693
Counterparty credit risk*	**112**	**112**	136	136
Securitisation Risk	**-**	**-**	-	-
Operational risk	**946**	**946**	873	873
Other**	**731**	**731**	844	844
Total RWAs	**11,494**	**11,494**	11,546	11,546

* Counterparty credit risk includes Treasury, Repo & CVA RWAs
** Other consists primarily of Property and Equipment, Deferred Acquisition Costs and Prepayments

The 31 December 2024 RWA's decreased by €52m to €11,494m (31 December 2023: €11,546m). The decrease is primarily driven by prepayments partially offset by increased Operational Risk RWAs reflecting profitability of the Bank and increased Credit Risk RWAs reflecting net loan book growth partially offset by derecognition of NPL disposal (Glas III) RWAs.

Risk Management

The information in Section 3.1, 3.2 and 3.3 on pages 53 to 66 in Risk Management identified as audited (with the exception of the boxed parts of these sections clearly identified as unaudited), forms an integral part of the audited financial statements as described in the basis of preparation on page 307. All other information in Risk Management is additional information and does not form part of the audited financial statements.

1. Risk Management and Governance

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

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

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

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

Enterprise Risk Management Framework

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

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

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

Risk Appetite and Strategy

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

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

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

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

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

Risk Governance

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

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

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

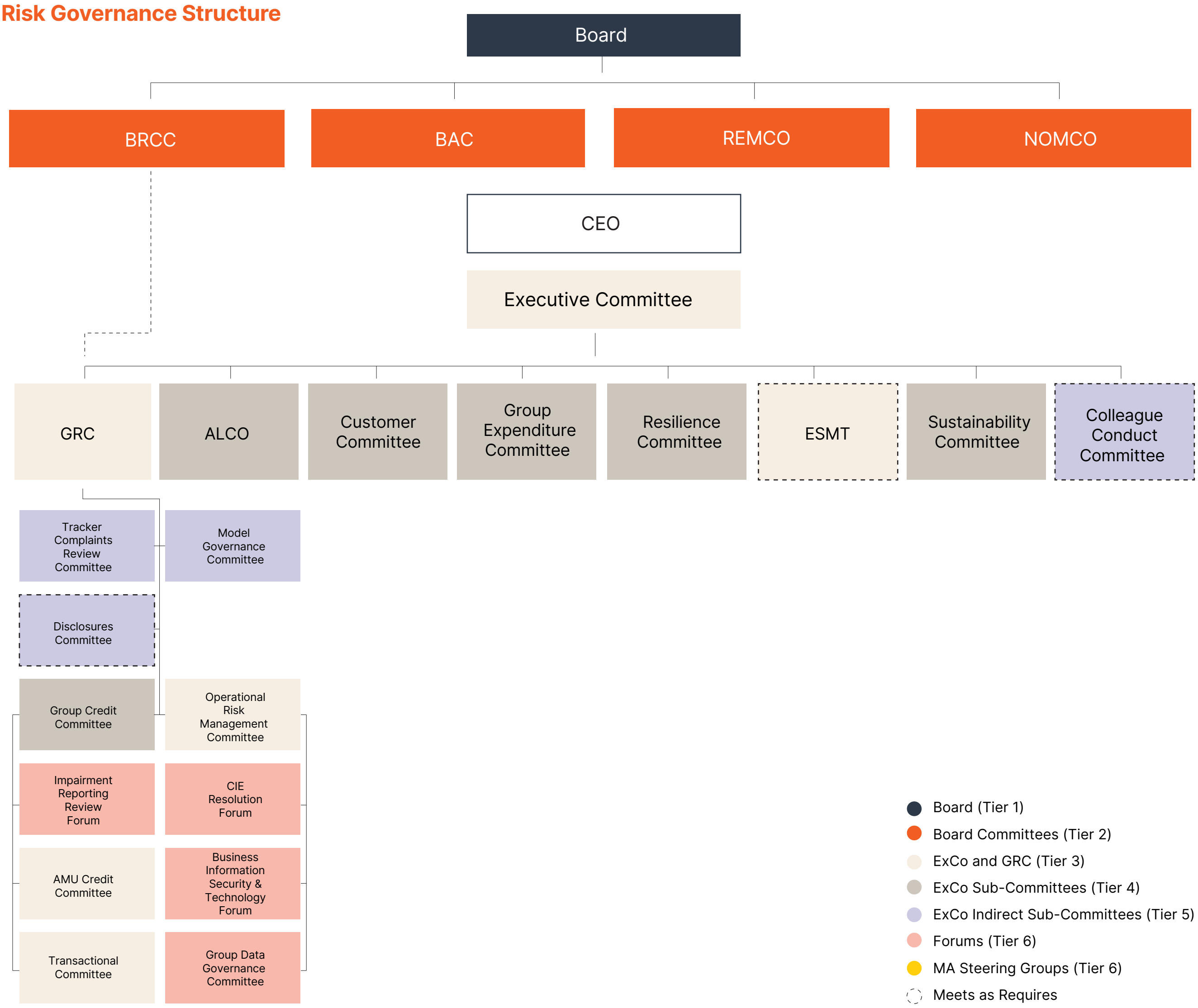
- **Committee Structure:** The number of committees at Board and Management levels reflects the nature and types of risk faced by the Bank. Criteria for establishing risk sub-committees give due consideration to the: purpose of the committee; duration of the committee; proposed membership; committee reporting line; and flight path for outputs from the committee.
- **Board Committees:** Made up of Executive and Non-Executive Directors whose role is to support the Board in overseeing risk management and overseeing and challenging Senior Management's decisions.

Risk Management
(continued)

- **Management Committee:** Bring together senior managers in the Bank who individually and collectively possess the requisite skills, expertise, qualifications, knowledge and experience to exercise sound, objective judgement, commensurate with the risk profile of the Bank.
- **Independence Safeguards:** The risk governance structure features safeguards to protect the independence of key relationships between Senior Executives and the Board. In this respect, the ExCo may not override or modify decisions of the Assets and Liabilities Committee (ALCo), Group Risk Committee ('GRC') or Group Credit Committee ('GCC'), but may appeal decisions to the Board (or relevant Board committee). Additionally, the CRO is assigned the right to refer/appeal planned management action agreed by ExCo risk sub-committees, where the CRO considers such action to be inconsistent with adherence to the Board-approved risk appetite.
- **Flow of Risk Information:** The risk governance structure establishes independent reporting lines which facilitate effective risk oversight by the Board via the Board Risk and Compliance Committee ('BRCC').
- **Communication of Risk Information:** Risk information is "prioritised and presented in a concise, fully contextualised manner" to enable robust challenge and informed decision-making throughout the risk governance structure.
- **Appropriateness:** The number of overall governance committees/fora in the Bank, the length of time per meeting, the number of meetings per year, and the number of meetings each Director/Executive attends are appropriate to the Bank's resources and business model. This should be reviewed on a regular basis and the feedback of the committee members should be sought.

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

Risk Governance Structure



Key Risk Governance Roles and Responsibilities

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

<table>
<tr><th>Committee/Role</th><th>Key Responsibilities</th></tr>
<tr><td>Executive Committee (ExCo)
ExCo is the Senior Management Executive Committee for the Bank and is the custodian of the Bank's collective Strategic Plan, Medium Term Plan and Risk Management Architecture as developed through the annual Strategic Planning Process (SPP).

ExCo is the accountable body for the Bank's operations, compliance and performance; defining the Bank's organisational structure; ensuring the adoption, application and maintenance of all standards set by the Board; and a forum for Group-wide colleagues and other functional issues and ensuring that a robust and resilient operating framework exists within which the Bank's activities are undertaken.

The committee is chaired by the Chief Executive Officer (CEO) who is accountable to the Board.</td><td>In the context of Risk Management, ExCo is primarily responsible for:
The oversight of strategic risk associated with the development and execution of the Group's Strategic Plan and Financial Plans. The Group Risk Committee (GRC) is a Committee of ExCo with delegated responsibility for Group-wide risk management issues. The ExCo is the ultimate point of escalation for Group-wide specific issues save for those matters reserved for the Board or its Committees; and
Ensuring that the operations, compliance and performance (through delivery of the Strategic Plan and Medium Term Plan, as well as policies, practices and decisions of the Group) are carried out appropriately, are correctly aligned to the Bank's Purpose / Ambition and to the interests of its key stakeholders (customers, colleagues, and shareholders) while operating within applicable regulatory and legal requirements
The Executive Committee (ExCo) is the ultimate management committee responsible for the development and implementation of the Bank's Sustainability Strategy and CR&E risk implementation. This will include consideration of the Bank's sustainability-related IROs.</td></tr>
</table>

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

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

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

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

Role of the Chief Risk Officer (CRO)

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

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

The CRO has overall responsibility for overseeing the development and implementation of the Bank's Risk function (incl. Compliance function), including overseeing development of the Enterprise Risk Management Framework, supporting frameworks, policies, processes, models and reports and ensuring these are sufficiently robust to support delivery of the Bank's strategic objectives and all of its risk-taking activities.

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

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

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

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

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

2. Principal Risks and Uncertainties

Risk registers, containing details of current and emerging risks, from each of the Group Risk functions utilise the 'top-down' and 'bottom-up' Risk Identification / RCSA processes and form the basis of the Group's 'Top and Emerging Risks' report. The 'Top and Emerging Risks' report is presented to GRC, BRCC and Board and is used to ensure identification, measurement, management and monitoring of all material risks.

The following describes the risk factors that could have a material adverse effect on the Group's business, financial condition, results of operations and prospects for the next 12 months and over the medium term. The risk factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties.

The challenging conditions in global markets arise due to factors including the Middle East and Ukraine-Russia conflict, inflationary pressures, the growing threat from cyber-attacks and other unknown risks. As a result, the precise nature of all risks and uncertainties that the Group faces cannot be predicted as several of these are outside of the Group's control.

As at 31 December 2024, the following are the top three emerging risks considered by the Bank.

- **Political, regulatory and supervisory disruption**: political polarisations will increasingly impair geo-political stability and create an uncertain business environment. Sound regulation and supervision are important for the financial sector stability, with high expectation from all stakeholders that regulatory requirements are delivered within prescribed timeframes (Payments). Not complying with requirements will be met with potential fines and supervisory measures. Compliance to requirements can crowd out other strategic investments that impacts competitive position relative to less regulated digital disruptors / non-bank lenders.
- **Process & Ability to Execute risk:** process and execution risk can significantly impact PTSB's operational risk, leading to higher loss risk, impacting operational resilience, customer dissatisfaction, a loss of trust and limit's ability to realise stated ambition (especially against the risk of optimistic bias in forecasting). Risk is linked with internal complexity, a high volume of change, increasing collaboration with third parties and outsourcing providers, people risk and transition speed. Making end to end processes more digitally straight forward is necessary to reduce complexity and embed / automate controls, and consistent customer service quality.
- **Technology disruption / New Market entrants:** new technologies are disrupting the traditional financial landscape, directly impacting the intermediary (banks) at their core. Central banks are actively exploring digital currencies which could allow them to directly fund customers and by-pass the traditional role of banks, especially impacting traditional retail deposit banks like PTSB. Technology change combined with regulatory change Payment Services Directive 2 (PSD2) provides core insights to new entrants and accelerates access to market, with potentially significant competitive disruption.

Economist Update

Introduction

The geopolitical backdrop has become much more uncertain in the last year. While the conflicts in Ukraine and the Middle East remain unresolved, there is political upheaval in Europe as it struggles with anaemic growth. The prospect of a trade war with the US complicates the outlook still further.

Inflation Rates and Interest Rates

Whereas the ECB raised its deposit rate from 0% to 4.5% over the year starting in September 2022 to dampen inflation, it is now focused on reducing rates to address weak growth. Inflation in the Eurozone was below 3% throughout 2024 having peaked at 10.6% in October 2022. Although inflation remains above the ECB's 2% target, nevertheless the market expects the ECB to reduce the deposit rate to 2% by the end of 2025.
The CSO reports that the Irish consumer price index "rose by 1.4%" during 2024 compared with 4.6% a year earlier. However, the Irish Fiscal Advisory Council (IFAC) highlights that falling energy prices have masked increases in domestic prices such as "rent, restaurants and cafés." The IMF notes that while global disinflation continues, "there are signs that progress is stalling in some countries and that elevated inflation is persistent in a few cases."

Economic Outlook / Growth

Eurostat reports that EU GDP grew by just 1.1% in 2024 compared to a rate of 2.8% in the US. Although Irish GDP contracted by 1.1% in 2024 "on the back of large intellectual property investment outflows and increased imports", the ESRI notes that modified domestic demand grew by 3.2% in 2024 and it expects it to grow by 4.1% in 2025 "driven by real income growth and higher housing investment." The IMF projects global growth "at 3.3% both in 2025 and 2026, below the historical (2000–19) average of 3.7%" and Euro area and US growth in 2025 of 1.0% and 2.7%, respectively.
Davy suggests that "real economic growth in excess of 4% a year is attainable for the Irish economy this decade." It notes that "growth momentum has picked up, helped by rising real household incomes as inflation declined and wages grew." But it cautions that "Ireland, being a small open economy with an outsized proportion of US multinationals is at risk from a worsening relationship between the US and EU." The NTMA emphasises that Ireland has a younger population than the European average and notes that this "helps growth potential".

While the Services PMI fell from 57.1 in December 2024 to 53.4 in January 2025 as growth slowed, firms remained "strongly positive for 2025". The

Manufacturing PMI rose from 49.1 to 51.3 over the same period having spent much of 2024 below the 50 breakeven mark. The December 2024 PMI readings for services and manufacturing for the Eurozone were 49.6 and 45.1, respectively.

Government Finances

The NTMA reports that Ireland's Debt-to-GNI (modified gross national income) was 69% at the end of 2024 down from 76% a year earlier. With an average interest rate of 1.4%, an average maturity of 10.2 years, a fiscal surplus of €8bn for 2024 and a AA rating all the major rating agencies, NTMA notes that "Ireland's debt fundamentals" are now similar to those of the EU 'core' countries, Germany, the Netherlands and Austria. Debt-to-GNI is projected to fall further in the coming years because of nominal growth and budget surpluses.

However, the Department of Finance cautions that "at just over €42,000 per person, Ireland has one of the highest gross public debt levels in the world." The IFAC highlights the "significant risk that fiscal policy becomes excessively expansionary in the coming years, while the economy is already performing strongly." Once again it emphasises Ireland's dependence on "extraordinary corporation tax receipts", without which "the government would be running a deficit of €6.3 billion in 2024." It notes that the two new funds the Government has established will save roughly one-third of the "windfall" element of corporation tax, the excess relative to what can be explained by growth in the domestic economy, most of which is accounted for by just three companies. It recommends saving more of these windfall receipts.

While acknowledging IFAC's concerns and highlighting that "gross voted current spending in 2024 was €29bn, or 48.3%, higher than in 2019, indicating a very rapid annual increase of 8.2% a year", Davy suggests Ireland's "favourable debt dynamics" are set to continue "mainly as a result of the impact of Pillar II of the OECD's Base Erosion and Profit Shifting reforms."

Employment

Observing that "Ireland's jobs market has never been tighter", IFAC comments that with 85% of the population aged 25-54 in employment, "there has never been a greater share of people working in Ireland's history." It notes that "employment has grown by 18% since 2019." The CSO reports that 2.8m people were employed in Q4-24, up 3.7% from the previous year while the unemployment rate was 4.5% and the job vacancy rate was 1.2%. The NTMA notes that the unemployment rate has been below 5% for the past two years, the longest such period ever recorded.

The CSO also reports that average weekly earnings were up 5.3% in Q3-24. IFAC highlights that average real wages are "11.7% above 2019 levels" while Davy emphasises the difference between sectors of the economy: "As of Q3 2024, the figures indicate that the average wage for an employee of a foreign-owned company in Ireland was c.€77,500, whereas the equivalent for an employee of a domestic-owned company was €59,900."

Banking

The Irish banking system remains characterised by an excess of deposits. The Central Bank reports that household deposits increased by €6.9bn or 4.5% in 2024. It notes "this movement was driven by deposits with an agreed maturity of up to 2 years, which recorded a €7.3 billion increase in the period, while overnight deposits remained in negative territory, decreasing by €962 million." It comments that overnight deposits represent "87% of the total stock of household deposits" down from 93.8% in April 2023. The European average is 54%. It further notes that net lending to households increased by €3.2bn or 3.1% in 2024 comprising €2.5bn of loans for house purchase and €952m of loans for consumption.

The Central Bank assesses that "domestic bank profitability has likely peaked." Tracker mortgages and Central Bank deposits, two of the largest asset categories on Irish bank balance sheets, will see lower returns in 2025. The Central Bank concludes: "Net interest income, the main source of profitability for Irish banks is likely to decline as ECB policy rates continue to fall." It notes that "domestic banks rely more on net interest income and customer deposits than European peers."

The Central Bank notes that the "aggregate debt service burden of the household sector has remained stable since 2022, with higher loan repayment amounts being offset by rising incomes." It calculates "the debt service ratio for the household sector – the ratio of debt repayments to total disposable income – has remained stable at approximately 9%. This follows a period of household deleveraging and a substantial decline in mortgage interest expenses between the GFC and 2022."

The Central Bank concludes: "The banking sector is well placed to weather a softening in profits, with non-performing loan ratios continuing to decline, and capital buffers above regulatory requirements." It is "maintaining an unchanged policy stance with respect to active macroprudential capital buffers (i.e. CCyB, O-SII) which continue to provide resilience to adverse shocks." It is retaining the CCyB rate of 1.5%, the rate it adopts "when cyclical risks are neither elevated nor subdued." It further notes that despite excess demand, there are no signs of significant increases in mortgage credit growth, which "remains moderate."

BPFI reports that 43,000 mortgages valued at €12.6bn were drawn down in 2024. Drawdown volumes fell by 1.3% compared to 2023 while values rose by 4.0%. Davy comments: "After almost a decade and a half of deleveraging, mortgages have returned to growth in the past two years, albeit at lower than desired levels. The mortgage market has been subdued in recent years, with lower-than-expected activity due to 1) lower new completions and 2) low levels of liquidity in the existing homes market." It forecasts "an increase in new mortgage lending from €12.6bn in 2024 to €13.8bn and €14.8bn in 2025 and 2026 respectively", reaching €22.1bn by 2031.

Davy projects that as housing output increases, the proportion available for sale to homeowners will likely decrease "mindful that large increases are coming from social housing and apartments." It projects "the percentage of new completions mortgages declines from 36% in 2024 to 25% by 2031" while 50% of existing home purchases will continue to be financed with a mortgage. It estimates the stock of mortgages will grow €2.5bn to €88.5bn in 2025 as €14bn of new mortgages are issued while €11.5bn of existing mortgages are repaid.

Housing
New dwelling completions disappointed in 2024, falling 6.7% to 30,330 from 32,695 in 2023. While the number of scheme dwellings increased by 4.6%, the number of apartments declined 24.1% to 8,763 according to the CSO. Completions in Q4-24 were 14.5% lower than the same quarter in 2023. However, new housing commencements jumped 84% in 2024 to over 60,000 units, the highest levels since the mid-2000s, which, Davy notes, were driven by policy incentives on development.

BPFI points to the resource challenge. It notes that there were "237,000 people employed in the construction sector in the third quarter of 2007" compared with 176,000 people Q3-24. It further highlights that "in addition to addressing the housing deficit, the construction sector is likely to face significant capacity constraints with pressure from other sectors of the economy needing similar resources particularly for the requirements arising from the climate action plan." The Central Bank highlights some of the other challenges including delays in the planning system, a shortage of zoned and serviced land, as well as the poor productivity of the construction sector compared to other European markets.

Various studies report a much greater need for housing than the 50,000 units per year which was often cited previously. Davy estimates a pent-up demand for 230,000 homes, more than 10% of the housing stock. It forecasts Ireland's population "will reach 6m by 2031 and that it will take close to 93,000 new units each year for the housing stock per adult to return to its previous ratio of 0.55 by then" commenting that this would still be at the bottom of the range for high-income European countries.

The new government has extended of the Help to Buy and First Home schemes to 2030 and proposed to expand the First Home Scheme to include existing homes. Davy comments that the Government's plan to deliver 300,000 homes over the next five years "would be a material increase over the last five years of c.135,000."

House Prices
The national Residential Property Price Index (RPPI) increased by 9.4% in the 12 months to November 2024 compared to 3% for the same 12 months a year earlier according to the CSO. The national index is now "16% above its highest level at the peak of the property boom in April 2007" and 158.7% above its trough in early 2013. However, the ESRI notes that in real terms, house prices in December 2023 "are actually 13% below the peak value."

The Central Bank comments: "An ongoing deficit in housing continues to drive residential property price growth ... The acceleration in house price growth occurs against the backdrop of an ongoing imbalance in the supply and demand of housing." An ESRI report questions "the capability of certain cohorts of the population to engage in homeownership, as both the debt service ratio (DSR) and house price-to-income ratio are increasing significantly." It suggests "Irish house prices are over-valued by somewhere in the region of 8 to 10%."

However, Davy finds "that Ireland's price-to-income ratios are not misaligned either in historical or international terms" and forecasts continued growth in residential property prices in 2025 (7%) and 2026 (5.5%)." BPFI notes that "notwithstanding the fact that the main ECB rates are close to their highest levels since 2008, average price inflation in the housing sector gained momentum mainly due to low housing stock and continuing housing and mortgage demand amid growing employment and income levels."

Overall Position
The outlook for next year is clouded. As Davy notes, the muted outlook for growth in the Euro area economy, geopolitical tensions, "greater protectionism and the prospect of a trade war between the EU and the US are now clear risks." Ireland as a small, open economy is especially exposed.

And Ireland's infrastructure deficit is likely to continue to impede progress. As IFAC notes: "One of the major challenges facing Ireland's governments over the past decade has been efforts to improve Ireland's infrastructure" which is 20–25% behind its peers. While the biggest shortfall is in housing, significant investment in water and energy infrastructure will also be needed. As the Department of Finance notes, "structural economic changes (the '4Ds': shifting demographics, decarbonisation, digitalisation and de-globalisation) pose significant challenges for the public finances."

Despite the many uncertainties, the outlook for the economy remains positive. Lower inflation and interest rates will help the consumer. As the NTMA notes: "Household balance sheets are not heavily indebted. Mortgage debt is mostly fixed at low rates for the next few years." Consumer spending and investment are both expected to grow as the labour market is expected to remain strong. They may prove sufficient to keep the economy on a steady growth path.

Business Risk

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

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

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

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

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

Climate-Related & Environmental Risk

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

Managing CR&E Risks and opportunities 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. Through this Strategy, the Bank is working to manage and mitigate against CR&E Risk, while also finding new and innovative ways to help our stakeholders to navigate the transition to a low carbon economy. This is complemented by "Sustainable Business Growth" as one of the refreshed Strategic Priorities outlining the Bank's commitment to building a sustainable organisation that is fit for the future.

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

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

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

2. Transition Risk - The risk of economic cost, financial loss or an adverse outcome related to the process of adjustment towards a low-carbon economy and more environmentally sustainable economy. Transitioning to a low-carbon economy may require substantial policy, legal, technology and market changes. These changes may result in financial loss and reputational risk to organisations, with the severity of this depending on the scope and speed of change required. Transition Risk may include:

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

The management of CR&E risk is aligned to key processes and components set out in the Bank's Enterprise Risk Management Framework (ERMF), which identifies core risk management stages which collectively ensure that the Bank appropriately identifies and manages current and emerging risk the Bank is exposed to. Consideration of the impact of CR&E risk on each of the risk categories has been considered as part of the Banks 2023 CR&E Risk Materiality Assessment. Through this assessment, the Bank recognises that CR&E risk is a cross-cutting risk, which may impact or enhance other identified risk.

The Bank has established strong governance structures surrounding CR&E Risk. During the first half of 2024, the Bank evolved its Sustainability Programme to include eight underlying workstreams, one of which is focused on CR&E Risk Management. The Sustainability Programme is led by the Sustainability Committee (SusCo). The SusCo acts on delegated authority from the ExCo, to provide oversight in line with supervisory expectations on the execution of the Bank's Sustainability Strategy by ensuring that there is sufficient oversight, alignment, governance and challenge of activity across key areas of focus for the Bank. Supporting the SusCo, a Sustainability Programme Direction Group (PDG) is in place, consisting of members from the Bank's Senior Leadership Team with enterprise-wide representation to ensure a holistic and integrated approach to support execution.

The management of CR&E Risk is aligned to key processes and components set out in the Bank's Enterprise Risk Management Framework (ERMF), which identifies core risk management stages which collectively ensure that the Bank appropriately identifies and manages current and emerging risk the Bank is exposed to. Consideration of the impact of CR&E Risk on each of the risk categories has been considered as part of the Bank's CR&E Risk Materiality Assessment. This assessment served as a foundational exercise to understand and assess CR&E Risk as an impact and driver of traditional Risk Categories and the Bank's exposure to same. As such, the Bank recognises that CR&E risk is a cross-cutting risk, which may impact or enhance other identified risk.

Over the last number of years, the Bank has made progress integrating CR&E Risk considerations into operational processes and strategic decision-making. PTSB deployed resources to ensure the delivery of the CR&E Risk Implementation Plan, that has been closed and is proactive in and committed to maturing this integration into 2024 and beyond. This work established the Bank's baseline position and enabled the organisation to make progress across a number of areas.

A summary of progress includes:

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

The Bank has mobilised investment toward positive CR&E Risk activity by supporting customers and counterparties in navigating their transition to a low carbon economy. CR&E Risk is considered in the Bank's product development process through establishment of Green Product and Proposition Design Principles.

The Bank has made progress, including:

- c.€875m in Green Mortgage Lending in 2024 accounting for 43% of New Mortgage Lending;
- Participation in the SBCI Growth and Sustainability Loan Scheme, offering €70 million in low-cost loans to SMEs;
- €100 million in funding as part of SBCI Home Energy Upgrade Loan Scheme – first lender to launch the Scheme; and,
- €500m Green Senior HoldCo, the first Green Bond issuance under the Bank's Green Bond Framework. The Bond issued on 10 April with maturity date 10 July 2030 (first call 10 July 2029).

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

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

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

Credit Risk

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

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

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

Capital Adequacy Risk

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

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

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

The core objective of the Group's capital management framework is to ensure it complies with regulatory capital requirements (Capital Requirements Regulation (CRR and CRR2), Capital Requirements Directive IV (CRD IV) and the Banking Recovery and Resolution Directive (BRRD)) and that it maintains sufficient capital to cover its business risks and strategy.

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

The management of capital within the Group is monitored by the BRCC, ExCo and ALCo in accordance with the Board-approved capital adequacy risk management framework.

Government Control and Intervention

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

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

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

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

Liquidity and Funding Risks

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

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

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

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

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

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

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

Market Risk

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

From the Group's perspective, Market Risk consists of three components being Interest Rate Risk, Credit Spread Risk and Foreign Exchange Risk. These risks are covered in detail in section 3.3.

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

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

Model Risk

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

In terms of risk appetite, the Group expects that all material models function as intended. The key factors which influence model risk within PTSB include: Macroeconomic risk – the Group's suite of models is built on data that spans the period immediately prior to the Global Financial crisis through the recent recovery. The degree to which the impacts of a new economic downturn will mirror the last is uncertain. The degree of risk increases with the speed and volatility of economic change;

- Regulatory change – the pace of evolution of regulation and guidance increases the burden of maintaining the Group's regulatory models;
- Competition for skills – significant competition exists within the Irish market for those with the experience and expertise to build, implement and interpret models; and
- Data – encouraging customers to share their data, particularly in the area of environment and sustainability is a strategic area of focus for the Group in enhancing model risk management.

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

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

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

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

Operational Risk and ICT Risk

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

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

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

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

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

In support of the above, the Group utilises a Risk and Control Self-Assessment methodology to:

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

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

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

External Fraud remains at a high threat level with many customers targeted/ responding to fraudulent SMS and phone calls in circulation, divulging their credentials to fake websites. There has been a significant increase in this activity since 2020 and PTSB have been recognised as being to the fore in seeking ways to protect our customers and the bank. We continue to work on our own initiative but also collectively with many external stakeholders i.e. other FI's, BPFI, CBI, UCD Cyber Centre, Gardaí, ComReg, Telco's and Fintech to reduce impact. The creation and launch of "PTSB Protect" to our customer base and added to our app as an opt-in solution in October 2023 will inform customers using the service of known fake SMS being received to their Smart phone. PTSB Protect is the first of such technology to be deployed by any bank. We have also enhanced our fraud monitoring capabilities in the card transactions space in November 2023 with the 'Foresight' fraud scoring tool added to our strategies, this is currently proving beneficial from both a fraud prevention and customer impacting perspective. By continuing to innovate and react to the ever changing environment, we can continue to maintain best in class status, whilst maintaining a balance between providing a frictionless customer journey but also managing the risk.

The external cyber threat environment continues to evolve, and remains a challenge to the Banking industry globally. Continuous improvement in our cyber defences is a strategic priority with investment accordingly to enhance the control environment.

The Bank's Cyber and Information Security Strategy (2022-2024) was approved by the Board Risk and Compliance Committee (BRCC) in February 2022. This is driving further improvements in the Bank's cyber defence, along with associated governance. Promoting information security awareness at all levels of the Bank is also a key feature of our approach. The Bank's Chief Information Security Officer (CISO) will present a refreshed Cyber and Digital Resilience Strategy (2025-2027) to BRCC in December 2024.

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

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

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

Weakness in the Group's internal control system or breaches/alleged breaches of laws or regulations could result in increased regulatory supervision, enforcement actions and other disciplinary action, and could have a material adverse impact on the Group's results, financial condition and prospects. To quantify the potential impact of weaknesses in this regard, and to strengthen the Group's system of internal controls through the consideration of unexpected events, scenario analysis and stress testing are conducted on a regular basis.

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

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

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

Conduct and Reputational Risk

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

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

- The strategy of the Group and how it is executed;
- The way the Group is run and managed;
- The existence of group think or localised cultures;

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

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

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

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

Reputational Risk is the risk of brand damage and/or economic loss arising from a failure to meet stakeholders' expectations of the Group or the failure of organisational structure and governance arrangements within the Group to embed desired behaviours and culture. The reputation of PTSB is founded on trust from its employees, customers, shareholders, regulators and from the public in general. Isolated events can undermine that trust and negatively impact the Group's reputation. Negative public opinion can result from the actual or perceived manner in which the Group conducts its business activities, from the Group's financial performance, the level of direct and indirect Government support or actual or perceived practices in the banking and financial industry. It is often observed that reputational risk is in fact a consequence of other risks. Negative public opinion may adversely affect the Group's ability to keep and attract customers which in turn may adversely affect the Group's financial condition and operations. The Group cannot be sure that it will be successful in avoiding damage to its business from reputational risk.

Compliance Risk

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

As a financial services firm, the Group is subject to extensive and comprehensive legislation and regulation by a number of regulatory authorities. The Group moved from a Less Significant Institution (LSI) to an Other Systemically Important Institution (OSII) in November 2023 and is directly supervised by the Central Bank of Ireland, as the National Competent Authority. The Board is responsible for overseeing the management of compliance risk, with senior management having a primary responsibility to effectively manage compliance with applicable laws and regulations and for ensuring that the Group has and effectively employs the resources, procedures, systems and controls, including monitoring, necessary to ensure compliance with all existing and forthcoming legislation.

The Central Bank (Individual Accountability Framework) Act 2023 (IAF) introduced the Individual Accountability Regime for Banks and other regulated entities. The Group has focused on implementation measures to ensure compliance with the new Conduct Standards and enhancements to the Fitness and Probity and Administrative Sanctions regimes which came into operation on 29 Dec 2023 and the Senior Executive Accountability Regime (SEAR) which has been in effect from 1 July 2024.

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

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

- The risk that changes to the laws and regulations under which the Group operates will materially impact on the Group's liquidity, capital, profitability, product range, distribution channels or markets;
- The risk that the Group is unable to respond to the scale of regulatory change and implement all required changes in full or on time, or the challenge of meeting regulatory changes will impact the Group's abilities to undertake other strategic initiatives;
- The level of costs associated with the regulatory overhead including, but not limited to, the industry funding levy, funding the resolution fund established under the Single Resolution Mechanism or levies in respect of applicable compensation schemes (including the Investor Compensation Scheme and the Deposit Guarantee Scheme (DGS));
- Non-compliance with organisational requirements, such as the requirement to have robust governance arrangements, effective processes to identify, manage, monitor and report the risks the Group is or might be exposed to, and internal control mechanisms, including sound administrative and accounting procedures and effective control and safeguard arrangements for information processing systems;
- The possibility of mis-selling financial products or the mishandling of complaints related to the sale of such products by or attributed to an employee of the Group, including as a result of having sales practices, complaints procedures and/or reward structures in place that are determined to have been inappropriate or the risk that previous practices are deemed inappropriate when assessed against current standards;
- Breaching laws and requirements relating to data protection, the detection and prevention of money laundering, terrorist financing, sanctions, bribery, corruption and other financial crime; and
- Non-compliance with legislation relating to unfair or required contractual terms or disclosures.

Regulatory Developments

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

Sustainability and climate change continues to be a key priority for Governments and regulators. The EU Action Plan on Sustainable Finance and the EU Green Deal, set out the EU's strategy to integrate ESG considerations into its financial policy framework and mobilise finance for sustainable growth. A key part of the strategy is the EU Sustainable Finance Disclosures Regulation (SFDR) and accompanying RTS, which is expected to be finalised in late 2024 or early 2025, which requires enhanced disclosure in a consistent manner of ESG factors into decision making processes and customer documentation for sustainable investments. The Corporate Sustainability Reporting Directive (CSRD) which introduces more detailed reporting requirements on companies in respect of the impact of their activities on the environment in their own operations and through their value chains with member states having 2 years to transpose into law.

Legislative progress continues on the implementation of the Basel III reforms, the Capital Requirements Regulation 3 (CRR3) and Capital Requirements Directive 6 (CRD6) were adopted by the European Council (EC) in May 2024 and became effective on 9th July 2024. CRR3 will apply from January 2025 and member states have 18 months to transpose CRD6 into national legislation. Both are aimed at enhancing prudential regulatory standards, supervision, and risk management of banks. The EU payments package, which includes the introduction of a Digital Euro and other legislative proposals and policy initiatives aimed at improving the payment experience of consumers and businesses, is also progressing through the EU legislative process. Further progress is expected on these proposals in early 2025. The EC has introduced legislation aimed at increasing the availability and use of Instant Credit Transfers in Euro from January 2025. In line with the objectives of the EU Digital Finance Strategy, the Digital Operational Resilience Act (DORA) will apply in full from January 2025. The revised Consumer Credit Directive and the revised Distance Marketing Directive have both been published and they come into effect in 2026. The new EU Artificial Intelligence Act, which was published in June 2024, comes into effect on various dates from late 2024 to mid-2027.

The EC's new legislative package designed to strengthen the EU's anti-money laundering and countering the financing of terrorism (AML/CFT) rules entered into force in July 2024. Key components of the new package include (a) the establishment of a new AML Authority (AMLA) which will have direct supervision of a certain number of selected obliged entities in the financial sector along with co-ordination/oversight powers in relation to member state AML/CFT supervisors and (b) the new AML Regulations which will from July 2027. From a sanctions perspective, with the continued conflict in Ukraine, Middle East, amongst other geo-political developments, it is anticipated that the EU sanctions regime will be kept under regular review.

Following the completion of the Irish Governments Retail Banking Review, the Access to Cash bill has been published and legislation is expected to be enacted in November for commencement in January 2025.

The Central Bank is progressing its review of the Consumer Protection Code (CPC). A consultation paper, containing draft requirements, was published in March 2024, with the revised CPC expected to be published in early 2025 with a 12-month implementation timeline.

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

Group Risks

The Board has overall responsibility for the establishment and oversight of the GRMF. The Board has established the BRCC, which is responsible for oversight and advice on risk governance, the current risk exposures of the Group and future risk strategy, including strategy for capital and liquidity management and the embedding and maintenance of a supportive culture in relation to the management of risk throughout the Group. The BRCC, in turn, delegates responsibility for the monitoring and management of specific risks to committees accountable to it such as the GRC, GCC and the ALCo.

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

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

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

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

3.1 Customer Credit Risk - Audited

Definition of Customer Credit Risk

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

Default Risk

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

- Deterioration observed in an individual borrower's capacity to meet payments as they become due;
- Deterioration observed or expected in macroeconomic or general market conditions;
- Regulatory change; and
- Environmental factors that impact on the credit quality of the counterparty.

Concentration Risk

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

Migration Risk

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

Collateral Risk

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

Country/Sovereign Risk

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

Climate Related and Environmental Risk

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

Climate related risk modelling capability is still evolving and the bank is heavily focused on improving its data to support future development. However, the Bank's portfolio is heavily weighted towards retail mortgages meaning the risks are well understood. The bank currently has low exposure to SME lending where the direct manifestation of climate risk may be more diverse. Management deem the Bank's ECL stock at 31 December 2024 appropriately captures the current level of climate risk within the portfolio.

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

Governance

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

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

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

Credit Risk Management
The Group's credit risk management approach is focused on detailed credit assessment at initial underwriting stage together with early borrower engagement where there are signs of pre-arrears or delinquency with a view to taking remedial action to prevent the loan defaulting. Where a borrower is in pre-arrears, arrears or default the Group will consider offering treatments/options which apply to the borrower's circumstance cognisant of affordability and sustainability.

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

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

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

Lending Authorisation
The Group's credit risk management systems operate through a hierarchy of lending authorities. Exposures above certain predetermined levels require approval by the Transactional Credit Committee (TCC), a subcommittee of the GCC or the GCC. Below the TCC level, a tiered level of discretion applies with individual discretion levels set to reflect the relevant staff members' level of seniority, expertise and experience and the Group's operational needs. All mortgage lending is currently approved by experienced credit risk professionals assisted by scoring models. For Group unsecured personal lending portfolios, scoring models and automated processes are utilised to support the credit decision process for those segments that present a lower credit risk. Exposures that present a higher credit risk but remain within Risk Appetite are manually reviewed prior to approval.

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

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

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

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

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

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

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

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

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

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

Residential Mortgage Exposures by Indexed LTV

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

31 December 2023	Home loans €m	Buy-to-let €m	Total €m
Less than 70%	16,261	422	16,683
71% to 90%	3,105	136	3,241
91% to 100%	86	59	145
Subtotal	19,452	617	20,069
Greater than 100%	105	132	237
Total residential mortgages	19,557	749	20,306
Commercial			437
Consumer finance			499
Finance leases and hire purchase receivables			446
Total loans and advances to customers			21,688
Deferred fees, discounts and business combination related fair value adjustments			309
Gross loans and advances to customers and deferred fees			21,997

Credit Risk Monitoring

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

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

Arrears Management and Forbearance

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

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

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

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

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

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

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

Credit Risk Measurement

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

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

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

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

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

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

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

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

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

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

	Note	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Cash at bank	12	**72**	71
Items in course of collection	12	**23**	40
Loans and advances to banks	13	**2,202**	2,051
Derivative financial instruments	14	**59**	36
Other assets	15	**7**	60
Debt securities	17	**4,327**	3,256
Loans and advances to customers	20	**21,423**	21,427
Credit commitments	41	**1,618**	1,380
		29,731	28,321

Further detail on loans and advances to customers is provided in note 36, Financial Risk Management.

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

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

The following table gives an indication of the level of creditworthiness of the Group's debt securities and is based on the ratings prescribed by Moody's Investor Services Limited and Standard and Poor's for the EU. There are no impaired debt securities as at 31 December 2024 or at 31 December 2023, with the exception of the corporate bond.

Debt securities neither past due nor impaired

	31 December 2024 €m	31 December 2023 €m
Rating		
Aaa	**726**	309
Aa1	**292**	30
Aa2	**-**	356
Aa3	**2,116**	1,578
A3	**439**	448
Baa1	**599**	432
Baa3	**155**	103
Total	**4,327**	3,256

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

	31 December 2024 €m	31 December 2023 €m
Country		
Ireland	**1,524**	1,559
EU	**658**	309
Spain	**599**	432
France	**578**	356
Portugal	**439**	448
Austria	**292**	30
Italy	**155**	103
Belgium	**82**	19
Total	**4,327**	3,256

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

	31 December 2024 €m	31 December 2023 €m
Rating		
Aaa	**1,887**	1,687
Aa1	**23**	-
Aa2	**6**	75
Aa3	**125**	231
A1	**90**	2
A2	**71**	56
Total	**2,202**	2,051

Asset Quality
The following tables provide detail of asset quality by Product and IFRS 9 stage. The asset quality risk profiles are linked to IFRS 9 PDs which have improved in the year due to positive customer experience and improved macro-economic factors. IFRS 9 PD is one of several measures used to assess SICR in the portfolio.

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

* The information in the shaded box has not been subject to audit by the Group's Independent Auditor.

31 December 2023 Asset quality*	Home loans €m	Buy-to-let €m	Total residential mortgages €m	Commercial €m	Consumer finance €m	Finance leases and hire purchase receivables €m	Total €m
Stage 1							
Excellent	12,283	54	12,337	32	198	9	12,576
Satisfactory	5,578	151	5,729	40	235	409	6,413
Fair	-	3	3	45	5	15	68
	17,861	208	18,069	117	438	433	19,057
Stage 2							
Excellent	187	19	206	-	2	-	208
Satisfactory	793	60	853	73	16	-	942
Fair	313	195	508	227	27	1	763
	1,293	274	1,567	300	45	1	1,913
Stage 3							
Defaulted	403	267	670	20	16	12	718
Total measured at amortised cost	19,557	749	20,306	437	499	446	21,688

* The information in the shaded box has not been subject to audit by the Group's Independent Auditor.

The tables on the following page set out the asset quality of loans for which the Group has entered formal temporary and permanent forbearance arrangements with customers for the years ended 31 December 2024 and 2023.

Where a borrower has been granted a forbearance treatment, the loan is considered to have experienced a significant increase in credit risk and is classified as Stage 2 for Expected Credit Loss assessment purposes under IFRS 9.

31 December 2024	Home loans €m	Buy-to-let €m	Total residential mortgages €m	Commercial €m	Total €m
***Stage 2**					
Excellent	**33**	**1**	**34**	**-**	**34**
Satisfactory	**34**	**4**	**38**	**-**	**38**
Fair	**30**	**3**	**33**	**-**	**33**
	97	**8**	**105**	**-**	**105**
Stage 3					
Defaulted	**145**	**26**	**171**	**4**	**175**
Total measured at amortised costs	**242**	**34**	**276**	**4**	**280**

*The information in the shaded box has not been subject to audit by the Group's Independent Auditor.

31 December 2023	Home loans €m	Buy-to-let €m	Total residential mortgages €m	Commercial €m	Total €m
*Stage2					
Excellent	38	-	38	-	38
Satisfactory	66	1	67	-	67
Fair	53	17	70	1	71
	157	18	175	1	176
Stage 3					
Defaulted	236	61	297	6	303
Total measured at amortised costs	393	79	472	7	479

*The information in the shaded box has not been subject to audit by the Group's Independent Auditor.

Loan Impairment

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

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

Stage 1

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

Stage 2

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

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

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

- Delinquency – greater than 30 days past due;
- Forbearance – reported as currently forborne in accordance with European Banking Authority (EBA) NPL guidelines;
- Risk Grade – accounts that migrate to a risk grade which the bank has specified as being outside its Risk Appetite for origination;
- Change in remaining lifetime PD – accounts that have a remaining lifetime PD that is in excess of the risk at which the bank seeks to originate risk. For the purposes of this assessment, credit risk is based on an instrument's lifetime PD, not the losses expected to be incurred;
- Absolute level of 12-month PD – accounts that have a 12 month PD that is in excess of 20% at the reporting date;

- PD at maturity - non-standard mortgage exposures (i.e., interest only or part capital and interest accounts) have been identified as presenting an increased risk of default at maturity and are consequently classified as Stage 2; and
- Other Risk indicators identified by management as giving rise to a significant increase in credit risk at the balance sheet date.

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

Transition from Stage 3 to Stage 2
Movements between Stage 2 and Stage 3 are based on whether financial assets meet the definition of default as at the reporting date.
Certain long-term forbearance treatments may transition from Stage 3 to Stage 2 in line with the definition of default but would not be expected to transition from Stage 2 to Stage 1 without an unwind of the forbearance treatment e.g. part capital and interest treatments.

Transition from Stage 2 to Stage 1
Exposures that are no longer 30 days past due do not transition automatically to Stage 1 (i.e. without probation) and, other criteria needs to be met.
Forborne exposures where certain criteria are met transition from Stage 2 to Stage 1 (e.g. no longer classified as EBA forborne).

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

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

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

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

Key indicators of unlikely to pay include:

- Accounts that have, as a result of financial distress, received a concession from the Group with respect to terms or conditions. Such exposures will remain in Stage 3 until certain exit conditions are met and for a minimum probationary period of 12 months before moving to a performing classification;
- Accounts that have, as a result of financial distress, received a concession from the Group with respect to terms or conditions which result in a significant terminal payment. Such exposures must fulfil additional conditions in relation to that terminal payment before moving to a performing classification; and
- Accounts where the customer is assessed as otherwise unlikely to pay, including bankruptcy, personal insolvency, assisted voluntary sale, disposal etc.

Exception to the general three stage impairment model

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

Low credit risk exemption

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

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

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

Modified financial assets

Where a financial asset is modified or an existing financial asset is replaced with a new one, an assessment is made to determine if the financial asset should be derecognised. If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates a new EIR for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a SICR has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition. If the terms are not substantially different, the modification does not result in derecognition and the date of origination continues to be used to determine SICR.

ECL Framework

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

Measurement

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

IFRS 9 PD

For estimating 12 month and lifetime default, the Group applies a statistical model methodology that allows the Group to estimate the risk that a loan will default at a given point in time by grouping exposures with similar risk characteristics and measuring the historic rate of default for exposures of this type. This technique effectively provides a TTC measure of likelihood of default. To translate this TTC probability to a point-in-time probability and to reflect forward looking information (FLI) at the balance sheet date, the Group calibrates the starting point for the projection to the current Observed Default Rate (ODR). The Group then applies an economic response model to reflect future expected macroeconomic conditions.

Behavioural scorecards with key loan performance indicators for each customer are used for the purpose of grouping exposures with similar risk characteristics as described above. A PD is calculated for each group (referred to as risk grades) which drives the PD for the ECL process.

All components of PD, risk grade, ODR and economic response model are independently monitored by the Group's Model Risk Team to confirm ongoing fitness for purpose.

IFRS 9 LGD

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

IFRS 9 EAD

For performing loans, the EAD is calculated for each future period based on the projected loan balance (after expected capital and interest payments) at that future period. A Credit Conversion Factor (CCF) is then applied to calculate the percentage increase in balance from the point of observation to the point of default including accrued missed interest payments and any related charges. The CCF is segmented by the accounts' repayment type.

Expected life

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

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

Effective Interest Rate

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

Write-off policy

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

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

Governance

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

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

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

Forward looking information (FLI)

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

Measurement of ECLs at each reporting period should reflect reasonable and supportable information.
The requirement to incorporate a range of unbiased future economic scenarios, including macroeconomic factors, is a distinctive feature of the ECL accounting framework, which increases both the level of complexity and judgement in the measurement of allowance for IFRS 9 credit losses.

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

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

In general, a review and update of macroeconomic variables takes place at least bi-annually. Macroeconomic scenarios were most recently updated in December 2024. There are two main changes from forward looking indicators utilised in December 2023: Unemployment forecasts for 2025 to 2028 has been revised upwards and GDP forecasts for 2025 and 2026 has been revised downwards due to the threats to the global macroeconomic outlook posed by geopolitical pressures.

The Group has adopted three macroeconomic scenarios for ECL purposes. The Group's approach applies extreme-but-plausible economic scenarios (i.e. underpinned by historical evidence) to estimate the distribution of ECL to which the Group is exposed. The central scenario is at the 50th percentile of the distribution of scenarios (implying a 50% probability that the actual outcome is worse than the central forecast and a 50% probability that the outcome is better). The Upside scenario is at the 5th percentile and the Downside scenario is at the 95th percentile. IRRF reviews the scenario probabilities and recommends to the BRCC for approval. Applying statistical techniques combined with expert credit judgement, the Group then formulates an unbiased probability weighted estimate of ECL at the reporting date (see note 2, Critical accounting estimates and judgements for further detail).

Expert Credit Judgement
In line with the requirements of the standard, the Group's ECL accounting framework methodology requires the Group to apply its experienced credit judgement in impairment model parameters and to incorporate the estimated effect of factors that are not captured in the modelled ECL results at all reporting period dates. At 31 December 2024, the impairment provision includes management judgement in respect of impairment model parameters and adjustments to modelled outcomes (see note 2, Critical accounting estimates and judgements for further detail).

3.2 Funding and Liquidity Risk - audited

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

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

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

The level of risk is dependent on the composition of the balance sheet, the maturity profile and the quantum and quality of the liquidity buffer. It is likely that these risks would be further exacerbated in times of stress. Given the nature of the Group's retail focus which stems from its business model, liquidity and funding risk will arise naturally due to the maturity transformation of primarily short-term deposits into longer term loans. With 92% of the balance sheet being deposit funded at the year end, exposure to a deposit run represents the primary liquidity and funding risk.

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

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

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

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

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

Liquidity risk is measured on a daily basis using a range of metrics against the internally as well as regulatory prescribed limit framework. The Group primarily monitors its liquidity position through the LCR. The objective of the LCR is to promote the short-term resilience of the liquidity risk profile of banks. It achieves this by ensuring that banks have an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately in private markets into cash in order to meet the liquidity needs for a 30-calendar day liquidity stress scenario.

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

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

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

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

The full suite of liquidity and funding metrics and stress test results are regularly reported to the ALCo, the BRCC and the Board.

In addition, the Group Internal Liquidity Adequacy Assessment Process (ILAAP) provides a holistic view of the Group's liquidity adequacy. The ILAAP examines both the short and long term liquidity position relative to the internal and regulatory limits. Through the ILAAP, the Board attests to the adequacy of the Group's liquidity position and risk management processes on an annual basis.

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

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

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

(iv) Minimum Liquidity Levels
The Group maintains a sufficient liquidity buffer comprising both unencumbered High Quality Liquid Assets (HQLA) and non-HQLA liquidity capacity to meet LCR and stress testing requirements.

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

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

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

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

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

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

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

(vi) Credit Ratings

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

In September 2024, Moody's issued a one notch upgrade to both PTSB Group Holding (HoldCo) to 'Baa1', and PTSB plc (OpCo) to 'A1'. The decision reflects improved balance sheet fundamentals, solid capital levels and improved profitability. In February 2024, the HoldCo was upgraded to 'BBB-'; and OpCo was upgraded to 'BBB' by Fitch. The upgrade reflects Fitch's view on the operating environment, the Group's risk profile, asset quality, capitalisation, and improved profitability. The actions from both agencies has benefitted the Bank in widening the potential investor base and supporting the Bank in reducing the relative cost of future issuances. PTSB Group Holdings plc and PTSB plc are rated at investment grade with Moody's and Fitch. As part of a wider review of PTSB's rating agency requirements, PTSB is no longer soliciting a rating from S&P and the rating was withdrawn on the 19th December 2024. Prior to the withdrawal, on the 7th of May 2024, S&P revised the outlook of both Permanent TSB Plc and Permanent TSB Group Holdings Plc to positive from stable, and affirmed 'BBB+/A-2' long- and short-term issuer credit ratings on Permanent TSB PLC and the 'BB+/B' long- and short-term issuer credit ratings on Permanent TSB Group Holdings plc.

The ratings for PTSB plc are as follows:

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

The ratings for PTSB Group Holdings plc are as follows:

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

For further details on liquidity and funding risk see note 36.

3.3 Market Risk - audited

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

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

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

(i) Interest rate risk

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

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

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

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

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

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

The 31 December 2024 interest rate risk level, based on the EBA's Supervisory Outlier Test (SOT) EVE calculation in the Short Up scenario (short term rates increase while long term rates stay flat), was calculated as €51m (31 December 2023: €118m in the Parallel Down scenario).

The Bank executed €0.95bn of fair value interest rate swaps in 2024, hedging certain issued senior and subordinated debt. These swaps reduced the Bank's exposure to downward shocks from an NII sensitivity perspective.

The risk position under the EVE metric has decreased over the year as the Bank has purchased €1.1bn of government and covered bonds, executed €0.95bn of fair value interest rate swaps hedging certain issued senior and subordinated debt, while also growing the term deposits portfolio which has the effect of reducing the overall liability tenor.

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

(ii) Foreign Exchange Risk
Foreign currency exchange risk is the volatility in earnings resulting from the retranslation of foreign currency denominated assets and liabilities. Consistent with its business model as a domestically focused Retail bank, the Group is predominantly exposed to GBP and USD positions arising from customer deposits denominated in these currencies or branch bureau activities.

Derivatives (FX swaps and forwards) are executed to minimise the FX exposure. Overnight FX positions are monitored against approved notional limits. It is the responsibility of both Group Treasury and Group Risk to measure and monitor exchange rate risk and maintain the exposure within approved limits. The aggregate euro denominated 31 December 2024 FX position was €3.0m (31 December 2023 €0.7m).

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

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

The Group's CS01 (impact of 0.01% movement in credit spreads) as at 31 December 2024 was €1.2m.

For further details on market risk see note 36.

Corporate Governance

Directors' Report

The Directors present their Annual Report and audited Group and Company Financial Statements to the shareholders for the year ended 31 December 2024.

Results
The Group's profit for the year was €162m (2023 profit: €68m) and was arrived at as presented in the consolidated income statement.

Dividends
No dividends were paid in 2024.

Review of the Business and Likely Future Developments
A detailed review of the Group's business activities, assets, liabilities, financial position, performance for the year and an indication of likely future developments are set out in the Strategic Report. Information on the key performance indicators and principal risks and uncertainties of the business are provided as required by the Companies Act 2014. This includes both financial and non-financial key performance indicators which are set out in the Strategic Report, Financial Review and Sustainability Sections. The principal risks and uncertainties are outlined under "risk factors" in the Risk Management section and under "Longer Term Viability" within the Board Audit Committee section of the Corporate Governance Statement.

Accounting Policies
The material accounting policies, together with the basis of preparation of the Financial Statements are set out in note 1 to the Consolidated Financial Statements.

Corporate Governance
The Corporate Governance Statement, as outlined in the Corporate Governance section, forms part of the Directors' Report.

Principal Risks and Uncertainties
Information concerning the principal risks and uncertainties of the Group are set out in the risk management section of the Strategic Report on page 43 of the Annual Report.

Financial Instruments
The financial instruments and use thereof are outlined in the Risk Management section, financial risk management note 36 and Derivative financial instruments note 14.

Going Concern
The Group's Financial Statements have been prepared by the Directors on a going concern basis having considered that it is appropriate to do so. The going concern of the Group has been considered in note 1 of the financial statements and further information on the assessment of the going concern position is also set out in the Governance Statement on page 106 under the Board Audit Committee's 2024 significant financial reporting judgments and disclosures.

Longer Term Viability
Taking account of the Group's current position and principal risks, the Directors have assessed the prospects of the Group over the period 2025-2027. The Directors confirm that it is their reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over this period. Further detail on the assessment of the Group's longer term viability is set out in the Corporate Governance Statement on page 107 under the Board Audit Committee's 2024 significant financial reporting judgements and disclosures.

Directors' Compliance Statement
As required by section 225(2) of the Companies Act 2014, the Directors acknowledge they are responsible for securing the Company's compliance with its relevant obligations (as defined in that legislation). The Directors have drawn up a compliance policy statement and have put in place arrangements and structures that are, in the Directors' opinion, designed to secure material compliance with the relevant obligations. A review of these arrangements was conducted during the year.

Statement of Relevant Audit Information
In preparing and approving the 2024 Annual Report and in accordance with Section 330 (1) of the Companies Act 2014, each of the current Directors of the Company confirm that;

- So far as the Directors are aware, there is no relevant audit information of which the statutory auditors are unaware; and
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and have established that the statutory auditors are aware of that information.

Audit Committee
In accordance with Section 167(3)(a) of the Companies Act 2014, the Directors confirm that the Board has established an Audit Committee.

Corporate Sustainability Reporting Regulations
In accordance with Part 28 of the Companies Act 2014, the Group has prepared a Sustainability Statement for the year ended 31 December 2024. The Sustainability Statement is set out on pages 140 to 237 and represents a dedicated section of the Directors' Report. Permanent TSB plc, a subsidiary of the Group, has availed of an exemption from preparing a Sustainability Statement pursuant to Section 1598 of the Companies Act 2014

Board Diversity Report
The Board Diversity Report, as set out in the Corporate Governance Statement (see page 99) forms part of the Directors' Report.

Directors
The names of the Directors, together with a detailed description of the key strengths, skills, expertise and experience of each Director are set out in the Board of Directors section on pages 79 to 84 of the Annual Report. On the 29 August 2024, Nicola O'Brien ceased as an Executive Director following her resignation as Chief Financial Officer. On the 1 October 2024, Mr Donal Courtney ceased as an Independent Non-Executive Director following completion of his six year term of office. On the 25 February 2025, Mr Barry D'Arcy was appointed as Chief Financial Officer and Executive Director (Mr D'Arcy previously held the role of Chief Risk Officer at PTSB). The Board is at an advanced stage (within the regulatory approval process) in the appointment of two Independent Non-Executive Directors to fill the directorships held by Donal Courtney and Ronan O'Neill respectively. Mr O'Neill will step down from the Board on the 30 July 2025 at the conclusion of his third term of office (9 years). Further details on the selection and suitability process for Board positions is set out in the report of the Nomination, Culture and Ethics Committee on page 109.

All of the directors stood and were re-appointed by election at the 2024 Annual General Meeting (AGM). All of the current directors will stand for re-appointment by election at the Group's 2025 AGM. As the Board is at an advanced stage in the appointment process for two new directors, these directors will stand for re-appointment by election at the AGM if co-opted to the Board in time for issue of the 2025 AGM Notice and, if co-opted thereafter, will stand for re-election at the 2026 AGM.

Information on Directors' remuneration is detailed in the Directors' Report on Remuneration on pages 125 to 129 of the Annual Report and Directors' and Secretary interests in shares are outlined in note 42 to the financial statements.

Other than the Directors' and Secretary's interests as set out in note 42, there were no other interests disclosed to the Company in accordance with the market abuse regulations occurring between the period under review and up to 3 March 2025.

Share Capital and Shareholders

Under the terms of the Credit Institutions (Stabilisation) Act 2010 (the "Act") the Minister for Finance could, in certain circumstances, direct the Company to undertake actions that could impact on the pre-existing legal and contractual rights of shareholders. The Act had an original expiry date of 31 December 2012. However, the Act was subsequently extended to 31 December 2014 but has not since been extended. The expiry of the Act does not affect any order already made, or the variance, termination, enforcement, variation or revocation of any existing order nor does it affect the ability of the Minister to impose certain conditions on any financial support provided under or in connection with the Act.

Relationship Framework with the Minister for Finance

The Minister for Finance of Ireland owns and controls 57.4% (2023: 57.4%) of PTSBGH's issued ordinary share capital. Under the terms of the Relationship Framework entered into between the Minister for Finance and PTSBGH, the Minister for Finance expects the Board and Management team of the Group to conduct the Group's commercial operations in a prudent and sustainable manner which seeks to create a commercially oriented credit institution that recognises the need to encourage and enforce implementation of lessons learned from the financial crisis.

The Minister for Finance recognises that the Group remains a separate economic unit with independent powers of decision-making and that its Board and Management team retain responsibility and authority for determining the Group's strategy and commercial policies (including business plans and budgets) and conducting its day-to-day operations. The Minister for Finance will ensure that the investment in the Group is managed on a commercial basis and will not intervene in day-to-day management decisions of the Group (including with respect to pricing and lending decisions).

Transactions and arrangements between the Group and the Minister for Finance or associates of the Minister for Finance will be conducted at arms-length and on normal commercial terms. The Minister will not, in their capacity as a shareholder of the PTSBGH, take any action that would have the effect of preventing the Group from complying with its obligations under applicable law and regulations, including, but not limited to, the Listing Rules and will not propose or procure the proposal of a shareholder resolution which is intended to circumvent the proper application of regulatory requirements.

The Minister engages with the Group, including with respect to the manner in which the Minister's voting rights are exercised in accordance with best institutional practice and in a manner proportionate to the shareholding interest of the State in the Group. The views of the Minister for Finance and the Department of Finance are expected to be appropriately considered by the Group as part of any consultation process under the Relationship Framework. However, the Board and Management team have full responsibility and authority for determining the Group's strategy and commercial policies.

The Relationship Framework also provides that the Minister for Finance and the Group will review the Relationship Framework from time to time when either party reasonably considers that changes to the Relationship Framework or to the State Agreements (as defined therein) would be necessary or desirable to ensure that the Relationship Framework continues to reflect certain principles specified in the Relationship Framework and to enable the Group to continue to comply with its obligations under applicable law and regulations, including, but not limited to, the Listing Rules.

The Relationship Framework also imposes restrictions on the Group undertaking certain actions without where specified, providing information to, consulting with, or obtaining the consent of the Minister for Finance. The principal restrictions are set out in the Relationship Framework, a copy of which is available on the Group website www.permanenttsbgroup.ie.

PTSBGH has complied with the relevant independent provisions set out in the Relationship Framework. The Board is also satisfied, in so far as it is aware, that the Minister for Finance has complied with the relevant independence provisions set out in the Relationship Framework.

On 7 November 2022, PTSBGH entered into a shareholder co-operation agreement with NatWest Group plc and the Minister for Finance of Ireland in relation to a number of matters including orderly sale arrangements in relation to both the shares held by the Minister and the shares issued to RBS AA Holdings (UK) Limited, a subsidiary of NatWest Group plc. The shareholder cooperation agreement does not provide Natwest Group plc with any direction or control rights or significant influence with regard to the business of the Group.

Authorised Share Capital

The authorised share capital of the Company is €775,000,000 divided into 1,550,000,000 ordinary shares of €0.50 each.

Issued Ordinary Shares

At 31 December 2024, the Company had 544,996,176 ordinary shares of €0.50 each in issue (2023: 545,589,119). Ordinary shares represent 100% of the Company's issued share capital value. On the 14 October 2024, the Group re-purchased 592,943 ordinary shares as part of an Odd-lot Offer to eligible shareholders. These shares were cancelled on 14 October 2024.

	Par Value €	Number of Shares
At 1 January 2024	272,794,560	545,589,119
Shares re-purchased*	296,471	592,943
At 31 December 2024	272,497,088	544,996,176

* All re-purchased shares were cancelled

At 31 December 2024, the Company holds, through an employee benefit trust, 4,580 (2023: 4,580) ordinary shares of €0.50 each.

Additional Tier 1 Equity Securities

On 26 October 2022, the Company issued €250m of AT1 securities. On 25 November 2020, the Company issued €125m of AT1 securities. These AT1 Securities contain no conversion rights into ordinary shares of the Company. No new AT1 securities were issued in 2024.

European Union Bank Recovery and Resolution Directive

The BRRD was implemented into Irish law by the EU (Bank Recovery and Resolution) Regulations 2015. BRRD provides European national resolution authorities with comprehensive and effective powers for dealing with failing banks and certain investment firms. BRRD grants a set of early intervention powers to the Irish national resolution authority (CBI) that include the write-down or cancellation of equity and/or the conversion of certain eligible liabilities into equity. Further information on BRRD is available on the CBI website: https://www.centralbank.ie/regulation/how-we-regulate/resolution-framework.

Variation of Rights

Whenever the share capital is divided into different classes of shares, the rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate General Meeting of the holders of the shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up.

Allotment of Ordinary Shares

Subject to the provisions of the Articles of Association relating to new shares, the shares shall be at the disposal of the Directors and (subject to the provisions of the Articles and the Acts) they may allot, grant options over, or otherwise dispose of them to such persons on such terms and conditions and at such times as they may consider to be in the best interests of the Company and its shareholders, but so that no share shall be issued at a discount and so that, in the case of shares offered to the public for subscription, the amount payable on application of each share shall not be less than one-quarter of the nominal amount of the share and the whole of any premium thereon.

Holders of Ordinary Shares Resident in the USA

The Board may at its discretion give notice to Relevant US Holders calling for a disposal of their shares within 21 days or such longer period as the Board considers reasonable. Relevant US shareholders are those shareholders who hold less than 25,000 shares of any class in the capital of the Company (including, without limitation, shares at any time in the future represented by American depositary shares) in any manner described in Rule 12g-3-2(a)(1) of the Exchange Act or in any amendment to such rule or equivalent rule promulgated by the SEC under the Exchange Act (including directly or through or as a nominee). The Board may extend the period within which any such notice is required to be complied with and may withdraw any such notice in any circumstances the Board sees fit. If the Board is not satisfied that a disposal has been made by the expiry of the 21 day period (as may be extended), no transfer of any of the shares to which the notice relates may be made or registered other than a transfer made pursuant to a procured disposal of the said shares by the Board, or unless such notice is withdrawn. As previously stated, the intention of the Board in any exercise of this power is, subject to legal, fiduciary and regulatory requirements and costs, to take account of the relative size of the holdings of the US resident persons and apply the power first to those smallest holdings of shares.

Refusal to Transfer

The Directors in their absolute discretion and without assigning any reason therefor may decline to register:

- any transfer of a share which is not fully paid save however, that in the case of such a share which is admitted to listing on London or Euronext Dublin Stock Exchanges, such restriction shall not operate so as to prevent dealings in such share of the Company from taking place on an open and proper basis;
- any transfer to or by a minor or person who is adjudged by any competent court or tribunal, or determined in accordance with the Company's Articles, not to possess an adequate decision-making capacity;
- any instrument of transfer that is not accompanied by the certificate of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer, if the instrument of transfer is in respect of more than one class of share; and
- any transfer of shares in uncertificated form only in such circumstances as are permitted or required by Section 1086 of the Companies Act 2014.

General Meetings

Under the Articles of Association, the power to manage the business of the Company is generally delegated to the Directors. However, the shareholders retain the power to pass resolutions at a general meeting of the Company which may give direction to the Directors as to the management of the Company.

The Company must hold a general meeting in each year as its AGM in addition to any other meetings in that year and no more than fifteen months may lapse between the date of one AGM and that of the next. The AGM will be held at such time and place as the Directors determine. All General Meetings, other than AGMs, are called Extraordinary General Meetings.

Extraordinary General Meetings shall be convened by the Directors or on the requisition of members holding, at the date of the requisition, not less than five per cent of the paid up capital carrying the right to vote at General Meetings and in default of the Directors acting within 21 days to convene such a meeting to be held within two months, the requisitionists (or more than half of them) may, but only within three months, themselves convene a meeting.

No business may be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Three members present in person or by proxy and entitled to vote at such meeting constitutes a quorum.

In the case of an AGM or of a meeting for the passing of a special resolution or the appointment of a director, a minimum of 21 clear days' notice, and in any other cases a minimum of 14 clear days' notice (assuming that the shareholders have passed a resolution to this effect at the previous year's AGM), needs to be given in writing in the manner provided for in the Company's Articles of Association to all the members (other than those who, under the provisions of the Articles of Association or the conditions of issue of the shares held by them, are not entitled to receive the notice) and to the Auditor for the time being of the Company. The Company's Articles of Association may be amended by special resolution passed at a General Meeting of shareholders. Special resolutions must be approved by not less than 75% of the votes cast by shareholders entitled to vote in person or by proxy.

Substantial Shareholdings

The Directors have been notified of the following substantial interests in the voting rights of Ordinary shares held:

Name	Interest	Date Notified
Minister for Finance of Ireland	57.4% 313,382,197 shares	6 June 2023
RBS AA Holdings (UK) Limited	11.7% 63,614,171 shares	5 June 2023
Sretaw Private Equity Unlimited Company	7.02% 38,294,197 shares	18 Oct 2023
Goldman Sachs International	3.03% 16,490,523 shares	10 Feb 2025

There were no other changes to substantial interests in the voting rights of ordinary shares reported to the Directors as at 3 March 2025.

Voting Rights of Ordinary Shares

No person holds securities carrying special rights. There are no particular restrictions on voting rights. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of its shares or on voting rights.

Voting rights at General Meetings of the Company are exercised when the Chairperson puts the resolution at issue to the vote of the meeting. A vote may be decided on a show of hands or by poll. A vote taken on a poll for the election of the Chairperson or on a question of adjournment is also taken forthwith and a poll on any other question or resolution is taken either immediately, or at such time (not being more than 30 days from the date of the meeting at which the poll was demanded or directed) as the Chairperson of the meeting directs. Where a person is appointed to vote for a shareholder as proxy, the instrument of appointment must be received by the Company not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the appointed proxy proposes to vote, or, in the case of a poll, not less than 48 hours before the time appointed for taking the poll.

Voting at any General Meeting is by a show of hands unless a poll is properly demanded. On a show of hands, every member who is present in person or by proxy has one vote regardless of the number of shares held. On a poll, every member who is present in person or by proxy has one vote for each share of which they are the holder. A poll may be demanded by the Chairperson of the meeting or by at least five members having the right to vote at the meeting or by a member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting or by a member or members holding shares in the Company conferring a right to vote at the meeting, being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right. It is current standing practice at the AGM that voting is conducted on a poll.

The holders of the ordinary shares have the right to attend, speak, and ask questions and vote at General Meetings of the Company. The Company, pursuant to Section 1105 of the Companies Act 2014 and Regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. 68/1996), specifies record dates for General Meetings, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend and vote at the meeting.

Pursuant to Section 1104 of the Companies Act 2014, a shareholder, or a group of shareholders who together hold at least 3 per cent of the issued share capital of the Company, representing at least 3 per cent of the total voting rights of all the members who have a right to vote at the meeting to which the request for inclusion of the item relates, have the right to put an item on the agenda, or to modify an agenda which has been already communicated, of a general meeting. In order to exercise this right, written details of the item to be included in the general meeting agenda must be accompanied by stated grounds justifying its inclusion or a draft resolution to be adopted at the general meeting together with evidence of the shareholder or group of shareholders' shareholding must be received, by the Company, 42 days in advance of the meeting to which it relates.

The Company publishes the date of its AGM on its website www.permanenttsbgroup.ie on or before 31 December of the previous financial year or no later than 70 days before the date of the AGM.

Director Appointments

Save as set out below, the Group has no rules governing the appointment and replacement of Directors outside of the provisions thereto that are contained in the Articles of Association. Under the Relationship Framework entered into between the Company and the Minister for Finance, the Board must consult with the Minister for Finance for the appointment or re-appointment of the CEO, Chairperson or proposed appointments to the Board. Upon receipt of written notice from the Minister for Finance, the Board shall appoint up to two nominees of the Minister for Finance as Directors of the Company and the appointment(s) shall be deemed to take effect on the date of the next Board meeting following receipt of the aforementioned notice (and regulatory approval). In 2018, the Board received written notice from the Minister for Finance of his intention to appoint two Directors to the Board. In this regard Marian Corcoran was appointed to the Board on 24 September 2019 and Paul Doddrell was appointed to the Board on 26 November 2020.

Powers Granted to Directors at the AGM

The following is a description of the resolutions passed by members in connection with powers granted to the Directors:

Ordinary Remuneration of Directors

At the AGM held on 14 May 2019, shareholders authorised that the Directors may from time to time determine in accordance with the Articles of Association of the Company, the aggregate ordinary remuneration of the Directors for serving as Directors of the Company at an amount not exceeding €750,000. Ordinary remuneration represents the total of basic fees paid to Non-Executive Directors of the Company.

Allotment of Shares

At the 2024 AGM held on 15 May 2024, the Directors were generally and unconditionally authorised, pursuant to section 1021 of the Companies Act 2014, to exercise all of the powers of the Company to allot shares up to an aggregate nominal value of €181,844,853 (representing approximately 66.66% of the issued ordinary share capital of the Company (excluding treasury shares)) as at 6.00pm on 3 April 2024 of which any allotment in excess of €90,922,426 (representing 33.33% of the issued ordinary share capital of the Company (excluding treasury shares) as at 6.00pm on 3 April 2024 may be applied to allot shares pursuant to a pre-emptive offer. This authority will expire at the conclusion of the next annual general meeting of the Company or at midnight on the date which is 15 months after the passing of the resolution (whichever is earlier) unless previously varied, revoked or renewed.

Disapplication of Pre-emption Rights

The Companies Act 2014 sets out pre-emption rights for members where new equity securities (essentially ordinary shares in the case of the Company) are to be allotted for cash. The Companies Act 2014 also provides for these pre-emption rights to be modified or disapplied.
The London based Pre-Emption Group has also issued guidelines for such modifications or disapplications (Pre-Emption Principles) against which the Group complies.

At the 2024 AGM held on 15 May 2024 shareholders renewed the Directors' authority to disapply the strict statutory pre-emption provisions in certain circumstances being: (a) rights issues, open offers or other pre-emptive offers and subject thereto by way of placing or otherwise of any shares not taken up in such issue or offer; and/or (b) for allotments (other than by way of pre-emptive offers) up to an aggregate nominal value of €13,639,727 which represents approximately 5% of the total nominal value of the Company's issued ordinary share capital (excluding treasury shares) as at 6.00pm on 3 April 2024. Furthermore, shareholders authorised the Directors to dis-apply the strict statutory pre-emption provisions in additional circumstances, being for allotments (other than by way of pre-emptive offers) up to an additional aggregate nominal value of €13,639,727 which represents approximately a further 5% of the total nominal value of the Company's issued ordinary share capital (excluding treasury shares) as at 6.00pm on 3 April 2024. The Board has confirmed that any use of the authority in excess of 5% of the Company's issued ordinary share capital would be only in connection with an acquisition or specified capital investment within the meaning of the Pre-Emption Principles. For this purpose and reflecting the Pre-Emption Principles, an acquisition or specified capital investment means one that is announced contemporaneously with the issue of share capital, or that has taken place in the preceding six-month period and is disclosed in the announcement of the issue.
The above authorities will expire at the conclusion of the next annual general meeting of the Company or at midnight on the date which is 15 months after the passing of the resolution (whichever is earlier) unless previously varied, revoked or renewed.

Market purchases of own Shares

At the 2024 AGM held on 15 May 2024 members gave the Company (and its subsidiaries) the authority to make market purchases and overseas market purchases provided that the maximum number of ordinary shares authorised to be acquired would not exceed:

- 5% above the higher of the average of the closing prices of the Company's ordinary shares taken from the main market Euronext Dublin and the average of the closing prices of the Company's ordinary shares taken from the main market of the London Stock Exchange in each case for the five business days (in Dublin and London, respectively, as the case may be) preceding the day the purchase is made (the Market Purchase Appropriate Price), or if on any such business day there shall be no dealing of ordinary shares on the trading venue where the purchase is carried out or a closing price is not otherwise available, the Market Purchase Appropriate Price shall be determined by such other method as the Directors shall determine, in their sole discretion, to be fair and reasonable; or, if lower,
- the amount stipulated by Article 3(2) of Commission Delegated Regulation (EU) 2016/1052 relating to regulatory technical standards for the conditions applicable to buy-backs and stabilisation (being the value of such an ordinary share calculated on the basis of the higher of the price quoted for: (i) the last independent trade; and (ii) the highest current independent purchase bid for any number of such ordinary shares on the trading venue(s) where the purchase pursuant to the authority conferred by this Resolution will be carried out).

This authority will expire at the conclusion of the next annual general meeting of the Company or at midnight on the date which is 15 months after the passing of the resolution (whichever is earlier) unless previously varied, revoked or renewed.

Re-Allot Treasury Shares

At the 2024 AGM held on 15 May 2024, members gave the Company (and its subsidiaries) the authority to re-allot treasury shares pursuant to Section 1078 of the Companies Act 2014 and the re-allotment price range at which treasury shares may be re-allotted is as follows: (a) the maximum price at which a treasury share may be re-allotted off-market shall be an amount equal to 120% of the Treasury Share Appropriate Price; and, (b) the minimum price at which a treasury share may be re-allotted off-market shall be an amount equal to 95% of the Treasury Share Appropriate Price (provided always that no treasury share shall be re-allotted at a price lower than its nominal value). This authority will expire at the conclusion of the next annual general meeting of the Company or at midnight (Irish Time) on the 19 August 2025 (whichever is earlier), unless previously varied, revoked or renewed.

Post Balance Sheet Events

Events after the reporting period are described in note 46 to the financial statements.

Accounting Records

The measures taken by the Directors to secure compliance with the Company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and the employment of competent persons. The accounting records are kept at the Company's registered office, 56-59 St Stephen's Green, Dublin 2.

Disclosure Notice

The Company did not receive a disclosure notice under section 33AK of the Central Bank Act 1942 during 2024.

Key Intangible Resources

Information on key intangible resources as required under section 1589 of the Companies Act 2014 is set out Note 24 Intangible Assets on page 356.

Political Donations

The Directors have satisfied themselves that there were no political contributions during the year, which require disclosure under the Electoral Act, 1997.

Location of Information required pursuant to Listing Rule 6.1.77

Listing Rule	Information Included*
LR 6.1.77 (12)	The Trustees of the Employee Benefit Trust have elected to waive dividend entitlements.
LR 6.1.77 (14)	As stated on page 48 the Minister for Finance has entered into a Relationship Framework with the Company. A copy of the Relationship Framework is available at www.permanenttsbgroup.ie

* No information is disclosable in respect of Listing Rules 6.1.77(1), (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), and (13).

Subsidiary Undertakings

The principal subsidiary undertakings and the Company's interests therein are shown in note 44 to the financial statements.

Independent Auditor

KPMG Chartered Accountants and Statutory Audit Firm was appointed as external auditor at the Group's AGM on 19 May 2023. In accordance with section 383 (2) of the Companies Act 2014, the Auditor, KPMG Chartered Accountants and Statutory Audit Firm, will continue in office.

Non-Financial Statement

In compliance with the European Union (Disclosure of Non-Financial and Diversity Information by Certain Large Undertakings and Groups) Regulations 2017 (S.I. No. 360/2017), the company fulfils its non-financial reporting obligations through the Sustainability Statement included in this Annual Report.

On behalf of the Board:

Julie O'Neill
Chair

Eamonn Crowley
Chief Executive

Barry D'Arcy
Chief Financial Officer

Conor Ryan
Company Secretary

Corporate Governance Statement
Chair's Introduction

Dear Reader,
2024 marked the successful integration of the businesses acquired from Ulster Bank enabling the Board to develop and approve a new integrated strategic plan to deliver sustainable returns for our shareholders.

2024 was a year where the Board focussed on leveraging the opportunity created through the successful acquisition of elements of the Ulster Bank business in Ireland. I mentioned in my statement last year how the Board recognised the growing importance of PTSB within the Irish retail banking landscape and the associated increase in shareholder, regulatory, economic and societal expectations on it. In response to this, the Board undertook a thorough review of the Bank's governance arrangements to ensure it was positioned for sustainable growth and that it had both the capability and capacity to do so safely. Through 2024 the Board implemented and executed a plan to deliver:

1. **Improvements in the effectiveness of governance arrangements at the Board and the Executive level.** Implementation of the Individual Accountability Framework (IAF) was leveraged to improve clarity of accountabilities and responsibilities, ensuring no responsibility gaps and that risk ownership and responsibilities for meeting regulatory obligations were clear across the business and the three lines of defence.
2. **Improvements in strategic planning,** the Board undertook a complete strategy refresh, building greater strategic capability (setting and monitoring) and process enhancements (e.g., related to capital and liquidity planning).
3. **Enhancements were made to embed risk management processes and capabilities across the Bank**, including strengthening, capability and capacity across the first and second lines of defence.
4. **Data and technology strategies were evolved and used to underpin the overall business strateg**y, including anticipation of future needs and ensuring the Bank had a resilient operational base, including through an updated approach to operational resilience and third party risk management which was substantially reviewed by the Board during the year.
5. **Sustainability was further embedded** within the Bank's strategic planning processes.

While substantial progress has been made across each of these programmes of work, there is more to be done to ensure the Bank is embedding a culture of continuous change and a right first time mindset.

In 2024, the Board prioritised focus on the Bank's commercial objectives to ensure it was allocating resources to maximise sustainable returns for shareholders. A material part of this focus has been overseeing a strategic transformation of the business with a particular focus on cost management. In 2024, the Board oversaw an organisation wide assessment to provide transparency on the Bank's cost categories, benchmarking of PTSB in terms of spend efficiency and identification of areas/processes that could be targeted for savings. Following the identification of major cost categories, cost saving initiatives were identified across key domains and value levers. The Bank has now moved into the execution phase to deliver these cost saving initiatives through 2025 and 2026. The initiatives focus on simplification of the operating model, efficiency transformation through automation and customer self service offerings that will reduce manual effort, minimise risk while reviewing investment and sourcing options utilised across the Bank. The Directors have established a new Committee of the Board (business transformation oversight committee) to oversee and provide additional support to the Board on delivery of this programme of work.

Of course the Board recognises it would have no business without the support of our customers and the directors continue to strive to embed a customer focused culture at PTSB. At the end of 2024 and into 2025 the Board and its committees adopted a new approach to inform decision making utilising an approach to ensure that all material decisions were informed by consideration of our customers, colleagues, sustainability, risk while delivering value for our shareholders.

I look forward to working with my Board colleagues over the coming months to ensure we deliver on the commitments we have set for ourselves and to hold ourselves to the standards of corporate governance expected of a systemically important pillar bank. While there were no appointments to the Board in 2024, as part of the planned Board refreshment, I expect to see a number of appointments to the Board in 2025 which I believe will supplement the knowledge and experience needed to execute and evolve the Bank's strategy over the next 5 years.

The following report sets out the detail to our approach to corporate governance principles and practices, how we implement and endeavour to achieve compliance with the UK Corporate Governance Code and how our Board and its Committees operated during the year.

The reports from the Chairs of the Board Audit, Risk and Compliance, Nomination Culture and Ethics, and Remuneration Committees on pages 104, 113, 109 and 116 respectively highlight the key activities and areas of focus for each Committee.

Julie O'Neill

Julie O'Neill
Chairperson

CBI Corporate Governance Code

The 2015 Central Bank of Ireland Corporate Governance Requirements for Credit Institutions (the "CBI Code") imposes statutory minimum core standards upon credit institutions, with additional requirements upon entities designated as High Impact Institutions. The Company's retail banking subsidiary, PTSB, was subject to the provisions of the CBI Code during the reporting period. PTSB has been designated as a High Impact Credit Institution under the CBI Code and is subject to the additional obligations set out in Appendix 1 of the CBI Code. PTSB has also been designated as a 'significant institution' for the purposes of the Capital Requirements Directive (SI 158/2014) and is subject to the additional obligations set out in Appendix 2 to the CBI Code. A copy of the CBI Code is available on the CBI's website www.centralbank.ie.

Compliance Statement with UK Corporate Governance Code and Irish Annex

The Company's shares are admitted to trading on the Main Securities Market of Euronext Dublin and the London Stock Exchange and the Company must comply or explain against the provisions of the 2018 UK Corporate Governance Code (the "UK Code") and the Irish Corporate Governance Annex (the "Irish Annex"). A copy of the UK Code is available on the UK Financial Reporting Council's website www.frc.org.uk and the Irish Annex is available at www.euronext.com/en/markets/dublin. In November 2024, the Board considered a full governance focussed analysis against the provisions of the 2024 UK Corporate Governance Code which comes into effect on the 1 January 2025 and against which the Directors will report upon in next year's annual report. The Board has not identified any new gaps (not previously disclosed in the annual report) in its governance practices when considered in the context of the 2024 UK Code.

Details of how the Group applied the main principles and supporting provisions of the UK Code are set out in this Corporate Governance Statement, the Business Model and Strategy section, the Risk Management section and in the Directors' Report on Remuneration. These also cover the disclosure requirements set out in the Irish Annex, which supplement the requirements of the UK Code with additional corporate governance provisions. The Board confirms that the Company has complied with the detailed provisions of the UK Code and Irish Annex during 2024, save as set out in the following paragraphs which at this time are classified as indefinite in nature.

Committee Independence

Provision 24 and 25 of the UK Code requires both the audit and risk committee (where established) to consist of Independent Non-Executive Directors. Paul Doddrell and Marian Corcoran are members of the Board Risk and Compliance committee which is chaired by an Independent Non-Executive director and has a majority of independent non-executive directors within their membership. The Board believes it appropriate to ensure that the aforementioned committees consist of members with appropriate knowledge, experience and skills and, notwithstanding the basis of their appointment, can demonstrate effective contribution through an independent mind-set. The Board believes it is in the best interest of the Bank to utilise Mr Doddrell's and Ms Corcoran's considerable risk management experience on the Board Risk and Compliance Committee. The Board Audit Committee consists entirely of Independent Non-Executive Directors

Remuneration

Provision 33 of the UK Code requires that the Remuneration Committee should have delegated responsibility for setting the remuneration for all executive directors and the Chairperson. However, under EBA guidelines on sound remuneration practices, the Remuneration Committee is designated as being responsible for the preparation of decisions to be taken by the Board regarding the remuneration for executive directors and other identified staff. The Board's view is that, from a regulatory perspective, the Group is compelled to comply with the EBA guidelines and therefore its remuneration policy reflects this position.

Pension Arrangements

Provision 38 of the UK Code states that pension contribution rates for executive directors, or payments in lieu, should be aligned with those available to the workforce. Since 2019, the Board has approved certain enhancements to staff defined contribution pension schemes where, based on market benchmarking, the maximum employer contributions were increased up to 16% linked to increases in each employee's own contributions and subject to certain age-based eligibility criteria. In carrying out these reviews, the Remuneration Committee paid due cognisance to existing State Agreements relating to remuneration and the Group's ability to provide competitive reward arrangements to retain and motivate executive talent in an increasingly competitive marketplace. Given the particular challenges faced in attracting and recruiting the most senior talent, in 2022, the Board approved increases in the Executive Directors' maximum pension contribution to 16%, or 20% in the case of the CEO. Given the difficulties experienced in respect of senior talent acquisition and aligned with the current approach for members of the Bank's Executive Committee, it was also agreed to exempt the Executive Directors, including the CEO, from the age-related eligibility criteria.

"How the Board ensures effective engagement with, and encourages participation from the Company's Stakeholders"

Stakeholder Engagement

In line with our Purpose of working together to build trust with our customers and communities, effective and proactive engagement with key stakeholders is an integral part of the Bank's corporate affairs strategy, The Bank's policy with respect to stakeholder engagement, overseen by the Sustainability & Corporate affairs function, encompasses our overarching approach to stakeholder engagement.

Stakeholder relationship owners across the Group interact with a variety of stakeholders at regular intervals throughout the year and provide regular updates to the Board on same. Key stakeholders for the group include shareholders, customers, colleagues, suppliers, society and the Bank's regulators.

Shareholder Engagement

Transparent and frequent communication with the Group's shareholders is a key priority. The Chairperson is available to meet with major shareholders on matters concerning the performance or operations of the Bank. During 2024, the Chairperson met with a number of major shareholders and communicated feedback from these meetings directly to the Board. The Group has a dedicated Investor Relations team, led by the Head of Investor Relations and headed by the CFO. There is a comprehensive schedule of investor engagement which the CEO and CFO participate in, on behalf of the Board, along with the Head of Investor Relations and selected Senior Executives. All engagements are structured in such a way as to ensure market sensitive information is not disclosed. The Group also has an active market engagement programme in place, where it reports financial results live through a webcast twice a year, (typically in March and July) and updates the market on trading twice a year, (typically in May and October). The Group publishes all results, including the webcasts, to a dedicated Investor Relations section on its website. The Group also reports other relevant information to the market on a timely basis. Following the release of results, the CEO and CFO facilitate a roadshow which provides an opportunity for institutional shareholders to provide feedback directly. Investor conferences are also a valuable tool, and during 2024 executives attended equity conferences in Dublin, London, New York and Boca Raton.

The Head of Investor Relations together with the CEO and the CFO, provide regular updates to the Board on the types of activities mentioned above, along with market reactions, in order to ensure that the members of the Board are aware of the views of the investment community and are considered in their decision making. The CEO, CFO and Chairperson seek regular engagement with major shareholders and report on these engagements to the Board. The Group's shareholder engagement strategy will continue to evolve as the level of free float increases, and will always apply best practice in this regard.

Customer Engagement

We believe delivering fair customer outcomes is a central tenet to what we do. We are committed to understanding our customers and delivering what matters most to them through every stage of their financial journey. We listen to our customers through our Voice of the Customer programme, focus groups and surveys, and we engage with them on a daily basis in-person through our network of 98 branches nationwide, in addition to our and digital channels (customer contact centres, webchat, social media, mobile app and website).

Workforce Engagement

The UK Corporate Governance Code places an obligation on boards to keep workforce engagement mechanisms under review so that they remain effective. Furthermore, the Code also states that where the Board chooses to implement alternative arrangements to those set out in the Code, it should explain in its Annual Report what alternative arrangements are in place, and why it considers that they are effective.

There are currently a number of ways the Board engages with the Group's workforce and hears the employee 'Voice', on an on-going basis, through alternative arrangements to those set out in the UK Code. A summary of these alternate arrangements is outlined in the below table:

Mechanism	Detail
Board and Committee Meetings	During 2024 the Board met in total on 15 occasions and this facilitated regular Board engagement with subject matter experts from across the Bank.
Nomination, Culture and Ethics Committee	Dedicated Board Committee with accountability for culture, behaviour, ethics and reputation management oversight in the Bank. Bi-annual review of employee 'Speak Freely' concerns raised through a Colleague Conduct Report.
Employee Events	Attendance at, and participation in, employee events on an on-going basis. Examples include the Employee Resource Group initiatives Intercultural Competence Event, DiCE 2024, Non-Executive Director branch and call centre visits (Board Meeting and walk-about held in Blackrock Call Centre in October 2024), 'Values in Practice' Awards and Sustainability events.

Mechanism	Detail
Employee Representative Bodies	CFO, CEO and Chief Customer and People Officer engagements with Employee Representative Bodies, to update them on the organisational trading position, the Bank's purpose and strategy, together with opportunities and challenges being faced. Other Executive and Senior Leadership Team members meet the Employee Representative Bodies on an, as needed basis, depending on the agenda and business requirements.
Employee Surveys	The Employee collective voice is shared with the Board Nomination, Culture and Ethics Committee through a variety of employee surveys that are run throughout the year. Examples include the 'Every Voice Counts' annual survey and 'Every Voice Counts' Micro-pulse surveys
Employee Engagement Group	The Company Secretary (Board Nominee) attends the People Experience Council ('PEC') to support the Board and gain a greater understanding of culture / employee sentiment. The Nomination Culture and Ethics Committee met with the Bank's People Experience Council in November 2024.

A People Experience Council was incepted in 2020 to support the embedding of culture with a mandate and a set of accountabilities. Their role is to lead out on Culture across the Bank, provide a collective voice (qualitative data) to the organisation and solicit People Experience Leads across their functions to champion organisational engagements. Leads are made up of colleagues from all areas of the business, representing a diverse group of employees at all levels. The Nomination Culture and Ethics committee identified an opportunity for the Board to engage with this group and to be updated on the employee sentiment and mood on the ground. As part of this group, the Board not only gains a deeper understanding of the drivers behind the employee engagement survey results (PTSB Every Voice Counts survey, IBCB Éist survey), they also gain diverse perspectives on what actions will address the areas for development and any emerging areas of discontent from employees. It is intended that attendance by Non-Executive Directors will continue indefinitely.

All material organisational changes are discussed and consulted on in advance with employee representative bodies. It is important in the context of these discussions that colleagues understand the financial and strategic position of the Bank over its five-year planning period and where appropriate, aligned to engagement protocols, provide member representations. During 2024, the CEO attended engagement sessions with Employee representative bodies to explain and provide context to the Bank's current and medium-term outlook as part of negotiations on reward.

Having reviewed the series of employee engagement during 2024, the Nomination, Culture and Ethics Committee was satisfied that this engagement was effective and in compliance with the UK Code.

Supplier Engagement

The Bank is supported by a network of suppliers that enable the smooth delivery of services to our customers. In 2024, we established a new, centralised Third-Party Management team with responsibility for managing and overseeing the Third-Party Management process. The team works closely with colleagues across the Bank, including Supplier Relationship Owners, to ensure compliance with standards, processes, procedures and governance requirements, as well as ensuring that new or renewal of critical Outsourcing arrangements are brought to Board for approval.

Societal Engagement

We are committed to being a responsible, sustainable business, supporting our communities by having a positive and meaningful impact. To support us in doing so, we engage with a number of stakeholders across Irish society, including Community Partners and Sponsorship Rights Holders, Media and Government Officials. We also engage at an industry level across a number of forums, including the Banking and Payments Federation of Ireland and Irish Banking Culture Board.

The Nomination Culture and Ethics Committee is updated by the Sustainability & Corporate Affairs function on a quarterly basis on key matters relating to the Bank's corporate and public affairs strategies, including media, political and community engagement.

Regulatory Engagement

Led by the Chief Risk Officer, the Board and Management maintain regular engagements with regulatory authorities, including with the Central Bank of Ireland ('CBI'). These engagements are in the form of; one to one meetings with Board members and Management, onsite inspections and thematic reviews, and regular engagements with the Bank's Regulatory Affairs Team. Meetings between the CBI, the Board, the Chairperson and Management involve open discussion on a wide range of topics including, business strategy and performance, consumer protection, risk management, capital and liquidity, upstream regulation and challenges facing the banking industry. The Board are also kept up to date on regulatory engagements and correspondence, ensuring the Board are aware of feedback from the CBI along with key areas of focus. The wide-ranging constructive engagement with the CBI is recognised by the Board as an enabler for the Bank in understanding regulatory expectations and meeting regulatory obligations.

Sustainability Double Materiality Assessment

The Bank takes several factors into consideration when assessing where to prioritise resources for its sustainability activity. These include but are not limited to: the Bank's business model and strategy; principal risks; sector issues; public policy and regulation; and the impact of the Bank's activities on wider society.

During 2024, the Bank engaged a sample of stakeholders to complete an exercise in double materiality, in line with the requirements to comply with Part 28 of the Companies Act 2014, which came into effect for reporting dates on or after the 1 January 2024. The exercise assessed both the stakeholder impact, and the financial materiality, of identified Impacts, Risks and Opportunities ('IROs'), to determine those that were most material to our business, and important to our stakeholders.

The findings from the Double Materiality Assessment played an integral role in guiding the Company's first disclosure under CSR Regulations and will inform the next evolution of the Bank's Sustainability Strategy in 2025.

Members of the Board took part in the Double Materiality Assessment process and progress made in relation to the disclosure was reported to both the Board and Board Audit Committee.

To read the Company's disclosure under CSR Regulations, which includes a detailed overview of the Bank's Double Materiality Assessment process, please refer to our Sustainability Statements beginning on page 140.

Board Decision Making

The Board has a clear understanding of the Bank's key stakeholders and how the operations of the Bank effect the environment and communities in which it operates. The Bank's Stakeholder Engagement Programmes facilitate a clear and unfettered information flow to and from the Board. This allows the Board to make informed decisions that are both in the best interest of the Company and facilitate a clear understanding of how decisions impact on the Bank's stakeholders, wider community and environment.

A key focus for the Nomination Culture and Ethics Committee is to ensure that Directors are able to make a positive contribution to the long-term sustainable success of the Company. Directors are more likely to make good decisions and maximise the opportunities for the Company's success if the right skillsets and breadth of perspectives are present on the Board. The Nomination Culture and Ethics Committee, aligned with the Bank's Purpose and Ambition, considers the appropriate skillsets and perspectives and sets them out in a Board-approved Suitability Matrix. Appointments to the Board are recommended in accordance with the Suitability Matrix. The key skillsets and experience that each of the Directors bring to the Board are set out in the Board Biographies section.

Focus for 2025

The Bank is committed to building on the progress achieved and to continue its established proactive engagements with key stakeholders in 2025. This will enable the Bank to make continued progress in cultivating and strengthening relationships, building trust and further enhancing the reputation of the Bank. Overseen by the Chief Sustainability & Corporate Affairs Officer, the Bank will continue to ensure that feedback from all key stakeholders is monitored and measured effectively in line with the Bank's Purpose and that key insights are brought to the Nomination, Culture and Ethics Committee, or relevant Committee, on a regular basis.

Corporate Governance Statement
Board of Directors

A key focus for the Board is to ensure that directors are able to make a positive contribution to the long term sustainable success of the Company. Directors are more likely to make good decisions and maximise the opportunities for the Company's success if the right skillsets and breadth of perspectives are present on the Board. The Nomination Culture and Ethics Committee, aligned to the Group's Purpose and Ambition, considers the optimal knowledge, experience and skills requirements of the Board and sets them out in a Board approved Suitability Matrix. Appointments to the Board are guided by the Board Assessment and Suitability Policy, Board Diversity Policy and Board Suitability Matrix. The key knowledge and experience that each of the Directors bring to the Board is set out in the Biographies below.

JULIE O'NEILL (69)
INDEPENDENT NON-EXECUTIVE DIRECTOR CHAIR

Appointed to Board:
17 January 2023

Nationality:
Irish

Committee Membership:
Remuneration Committee
Nomination, Culture and Ethics Committee (Chair)

Principal External Appointments:
Director at XL Insurance Company SE and Architas Multi-Manager Europe.

Key Strengths, Skills and Experience
Julie is an accomplished business leader with extensive executive and board experience, having held a number of public service positions, including Secretary General of both the Department of Transport and the Department of Marine and Natural Resources and previously held a number of other prominent Non-Executive Director roles, including Chairperson of the Convention Centre Dublin and Non-Executive Director, AXA Life Europe and Ryanair Group plc.

Julie previously served a six-year term on this Board (2014 to 2020) as an Independent Non-Executive Director, the latter 4 years as the Board's Senior Independent Director. During this period she played a significant role as a Board member in guiding positive transformation of the Bank. Julie has extensive business and leadership experience and brings an in-depth knowledge of the Bank and wider banking/insurance industry to the Board.

- Certified Bank Director
- Bachelor of Commerce
- MSc Policy Analysis

EAMONN CROWLEY (55)
CHIEF EXECUTIVE OFFICER

Appointed to Board:
10 May 2017

Nationality:
Irish

Committee Membership:
None

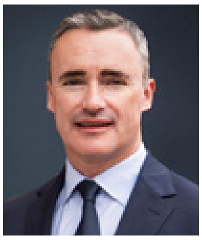
Principal External Appointments:
PTSB nominee director of Banking & Payments Federation Ireland CLG and Irish Banking Culture Board CLG

Key Strengths, Skills and Experience
Eamonn brings to the Board extensive international banking, accounting, corporate treasury and leadership experience with a significant customer focus reflected in the Bank's Purpose, Ambition and Strategy.

Eamonn has 30 years+ banking experience. In addition to his tenure at PTSB since 2017, Eamonn's experience encompasses the management of a significant retail banking growth agenda during his tenure as CFO in Santander Bank in Poland and as a member of the management board there for more than 10 years. Eamonn has extensive relevant stakeholder management experience with particular focus of building effective relationships with colleagues, regulators, government and markets (shareholders, investors, analysts). In addition to his financial management credentials, Eamonn is an accomplished business leader manager who takes a broad perspective and has a deep commitment to both organisational culture and operational transformation for the benefit of key stakeholders such as shareholders, customers, colleagues and the long-term sustainable interests of the Bank.

- MBA Smurfit Business School
- Certified Accountant (FCCA) and Member of Association of Corporate Treasurers
- Certified Bank Director
- Harvard Business School – Advanced Management Programme

BARRY D'ARCY (51)
CHIEF FINANCIAL OFFICER



Appointed to Board:
25 February 2025

Nationality:
Irish

Committee Membership:
None

Principal External Appointments:
None

Key Strengths, Skills and Experience
Barry is a CIMA Fellow and Chartered Global Management Accountant (FCMA, CGMA), a finance and risk professional with significant banking and leadership experience having worked in the Commercial and Retail Banking sector in Ireland for more than 15 years. Barry brings a wealth of financial, risk, commercial, strategic, operational and regulatory knowledge to the Bank together with experience in delivering large complex programmes successfully.

Barry was appointed CFO in February 2025, having joined the Bank as CRO in October 2023. Prior to joining PTSB, Barry was Chief Risk Officer and an Executive Director at KBC Bank (Ireland).

- FCMA, CGMA
- Bachelor of Business Studies
- Certified Bank Director

RONAN O'NEILL (71)
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed to Board:
26 July 2016

Nationality:
Irish

Committee Membership:
Board Audit Committee (Chair)
Nomination, Culture and Ethics Committee

Principal External Appointments:
None

Key Strengths, Skills and Experience
Ronan, a chartered accountant, brings to the Board extensive banking and leadership experience with a particular competency in finance, risk and treasury. His strong strategic and corporate development insights enable Ronan to provide challenge and support to the development of the Bank's organisational change programmes. His previous experience as a member of the Group Risk Committee at AIB is of particular benefit to the Board Audit Committee which Ronan chairs.

Prior to retiring from AIB in 2013, Ronan was Chief Executive Officer of AIB (UK) plc and a member of the AIB Group Leadership Team. Ronan had responsibility for SME Business in the UK and the retail banking business of First Trust in Northern Ireland. He put in place a strategic plan to revitalise AIB's UK and NI businesses and oversaw its implementation.

- Fellow Chartered Accountants Ireland
- Certified Bank Director
- Bachelor of Commerce from UCD
- Fellow, Institute of Bankers

RUTH WANDHÖFER (49)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed to Board:
30 October 2018

Nationality:
German/British

Committee Membership:
Board Audit Committee
Remuneration Committee

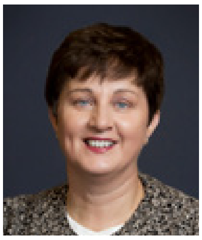
Principal External Appointments:
Director at: RTGS Global Ltd; Aquis Exchange Plc and Leximar Ltd (personal consultancy company).

Key Strengths, Skills and Experience
Ruth has substantial banking and leadership experience with extensive knowledge of both regulatory and market strategy, and together with her insight on regulatory and financial technology innovation provides invaluable insight for the Board as it provides oversight for the Group's digital and payments transformation programmes.

Ruth was MD and Global Head of Regulatory and Market Strategy at Citi from 2007 to 2018 where she drove regulatory and industry dialogue in addition to developing product/market strategy in line with the evolving regulatory and innovation landscape. Prior to joining Citi, Ruth was Policy Advisor for Securities Services and Payments at the European Banking Federation.

- MA in Financial Economics (UK)
- MA in International Politics (FR)
- LLM in International Economic Law (UK)
- PhD Finance
- Certified Bank Director

MARIAN CORCORAN (60)
NON-EXECUTIVE DIRECTOR



Appointed to Board:
24 September 2019

Nationality:
Irish

Committee Membership:
Board Risk and Compliance Committee
Nomination, Culture and Ethics Committee

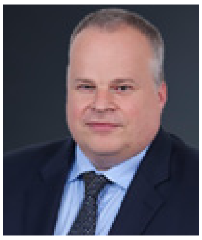
Principal External Appointments:
Director HP International Bank DAC, Director of IDA Ireland, Chair DCU Educational Support Services DAC, and Director of MC2 Change Limited (personal consultancy company)

Key Strengths, Skills and Experience
Marian has broad executive and non-executive leadership and advisory experience having led strategy development in technology and business transformations. Marian has also played a key role in executive leadership. Marian brings to the Board wide-ranging experience in advising on and leading transformational programmes across multiple industries including banking. Marian's experience in risk management brings invaluable experience to the Board Risk and Compliance Committee. Marian's cross-industry skills in stakeholder management, risk management, corporate governance and technology-enabled transformation benefit the Board as the Group's strategy and change programmes evolve at an ever-increasing pace. Marian has a strong track record in championing inclusion and diversity.

Marian is a former executive director and partner in Accenture Ireland. Marian has extensive experience in strategy delivery, delivery of technology-enabled change and business transformation both locally and internationally. Marian is a member of the Governing Authority in DCU and was also a member of the Irish Public Service Pay Commission.

- Business Sustainability Management, University of Cambridge
- Chartered Director
- Certified Bank Director
- Professional Certificate in Leadership Coaching
- BSc Biotechnology

PAUL DODDRELL (57)
NON-EXECUTIVE DIRECTOR



Appointed to Board:
26 November 2020

Nationality:
British

Committee Membership:
Nomination, Culture and Ethics Committee
Board Risk and Compliance Committee

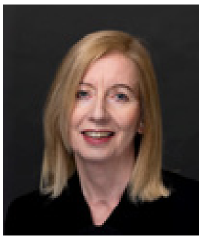
Principal External Appointments:
Director at Cabot Financial (Ireland) Ltd, Coastline Housing Limited. Coastline Services Limited and 3 to 48 Ltd (personal consultancy company)

Key Strengths, Skills and Experience
Paul has significant executive leadership experience spanning finance, asset servicing, lending, operations, sales with specific management expertise in business strategy development and execution; risk management and change management. Paul's strategic insights and experience particularly in the area of mortgage servicing and credit provide core skills which the Board requires.

Paul is a highly experienced financial services executive and Board member who has successfully operated at executive management level in a number of organisations globally. Paul served as Pepper Group's Managing Director for Shared Services, and led the successful establishment and growth of Pepper's financial services operations in Ireland. Previously Paul held a number of key executive roles at GE Capital. Paul is currently a Non-executive Director and chair of the Audit and Risk committees at Cabot Financial Ireland.

- Chartered Management Accountant – ACMA, CGMA
- Certified Six Sigma Master
- BA(Hons) Business Studies
- Certified Bank Director

CELINE FITZGERALD (62)
INDEPENDENT NON-EXECUTIVE DIRECTOR



Appointed to Board:
30th March 2021

Nationality:
Irish

Committee Membership:
Nomination, Culture and Ethics Committee
Remuneration Committee (Chair)

Principal External Appointments:
Chair, Pieta House CLG and
CEO (interim) Research Ireland

Key Strengths, Skills and Experience
Celine is a former Non-Executive Director at the commercial semi-state company Ervia and has previous senior executive experience in the telecommunications (senior executive at Vodafone 1999 – 2007) and the managed services (CEO of Rigney Dolphin 2007 - 2012) industries. Celine was a Non-Executive Director on the VHI Main Board between 2010 and 2020 and was General Manager at the charity Goal between 2016 and 2018. Celine has also contributed her time to many other charitable foundations including Chair of the charity Pieta House. Celine is the current interim CEO of Research Ireland (an agency under the Department of Education).

Celine is an experienced senior executive and Independent Non-Executive Director and has led culture transformation in challenging environments. Celine has had practical experience of handling ethical challenges in the charity sector during her time as Managing Director of Goal. Celine has an in-depth understanding of strategic differentiation to deliver customer value. Celine's knowledge and experience is of significant benefit for the Board in its role to lead on evolving an open ethical, risk aware and inclusive culture which is focussed on building trust with customers, colleagues and communities.

- BA Management
- Chartered Director
- Certified Bank Director

ANNE BRADLEY (65)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed to Board:
30th March 2021

Nationality:
Irish

Committee Membership:
Board Audit Committee
Board Risk and Compliance Committee

Principal External Appointments:
Director at Northern Trust International Fund Administration Services Ireland Ltd and
Pieta House CLG.

Key Strengths, Skills and Experience
Anne's experience is centred on transformation and business change and her cross industry knowledge and experience supports the Board as the Bank evolves its digital transformation strategy while maintaining resilient and reliable technology systems. Anne has extensive experience in technology and has operated at senior levels, leading on IT resilience, emergency response, technology evaluation, crisis management, operational efficiency and IT infrastructure.

Anne worked with Aer Lingus/IAG Group until 2020 where, during a 40 year career she held a number of senior executive roles. Between 2015 and 2018 she was Director of IT with Aer Lingus and thereafter Head of Group IT Delivery/ Digital Development (2018 -2020) with IAG Group. Anne was an Independent Non-Executive Director at Bus Eireann from 2015 to 2018 and in 2020 joined and is a current member of the Board of Northern Trust International Fund Administration Services Ireland Ltd.

- Fellow of the BCS, The Chartered Institute for IT
- Chartered Director, Institute of Directors
- Certified Bank Director

CATHERINE MORONEY (62)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed to Board:
12th December 2023

Nationality:
Irish

Committee Membership:
Board Audit Committee
Board Risk and Compliance Committee

Principal External Appointments:
Director at Cynergy Bank (UK) Limited, and Saburai Consulting Limited (personal consultancy company)

Key Strengths, Skills and Experience
Catherine brings extensive experience in retail, corporate and business banking to the Board as the Bank further develops its business banking proposition. Catherine has deep experience at senior executive level in leading customer-facing businesses with a focus on strategic planning, business growth, innovation, transformation and sustainability. Catherine has also held a number of non-executive board positions across Ireland and the UK, including Chair of the Board and of audit, risk and remuneration committees in the Banking, Insurance, Corporate Finance and Not-For-Profit Sectors.

Catherine is an accomplished business leader who has spent a large portion of her career at senior executive level in the Irish financial services sector (AIB Bank) with a deep involvement in the business community, including in her role as former President and Chair of Dublin Chamber of Commerce

- Bachelor of Commerce, Banking & Finance, UCD
- Chartered Director, Institute of Directors
- Fellow, Institute of Bankers in Ireland
- Certified Bank Director

RICK GILDEA (72)
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed to Board:
12th December 2023

Nationality:
American/British

Committee Membership:
Board Risk and Compliance Committee (Chair)
Board Audit Committee
Remuneration Committee

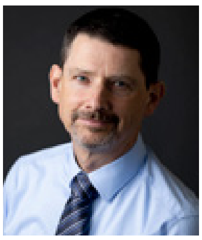
Principal External Appointments:
Trustee at The Shakespeare Globe Trust
Chair of the Finance Committee and member of the Board of Advisors, The Johns Hopkins University School of Advanced International Studies.

Key Strengths, Skills and Experience
Rick Gildea's background in corporate banking (JP Morgan Chase) brings deep experience of client coverage and risk management together with capital markets expertise to the Board.

Rick spent a large portion of his career at senior executive level in investment and corporate banking roles in London and New York, prior to pursuing a non-executive career. Rick was an independent Non-Executive director at Alpha Bank (a domestic and international bank listed on the Stock Exchange in Athens) between 2016 and 2023 where he chaired the remuneration committee and was a member of the risk committee with a particular focus on non-performing loan risk management.

- Certified Bank Director

CONOR RYAN (53)
COMPANY SECRETARY



Conor was appointed Company Secretary in 2017. As Company Secretary and Head of Corporate Governance, Conor is responsible for advising the Board, through the Chairperson, on all governance matters. The role of Company Secretary is to align the interests of different parties around the boardroom table, facilitate dialogue, gather and assimilate relevant information, and support effective decision-making. Conor is a fellow and past president the Chartered Governance Institute in Ireland (ICSA) and a Certified Bank Director.

2024 Board Meeting Attendance and Directorships

Member	Appointed	Ceased	Number of Years on Board	2024 meetings	Number of Directorships held
Current Directors					
Julie O'Neill	17 Jan 2023	-	2.0	15/15	4/3
Ronan O'Neill	26 Jul 2016	-	8.5	14/15	2/1
Ruth Wandhöfer	30 Oct 2018	-	6.3	15/15	7/3
Marian Corcoran	24 Sep 2019	-	5.4	15/15	6/3
Paul Doddrell	26 Nov 2020	-	4.1	15/15	7/2
Anne Bradley	30 Mar 2021	-	3.8	14/15	4/2
Celine Fitzgerald	30 Mar 2021	-	3.8	15/15	5/2
Rick Gildea	12 Dec 2023	-	1.0	12/15	4/1
Catherine Moroney	12 Dec 2023	-	1.0	14/15	4/2
Eamonn Crowley	10 May 2017	-	7.7	15/15	9/1
Former Directors					
Donal Courtney	3 October 2018	1 October 2024	6.0	10/10	5/2
Nicola O'Brien	04 August 2022	29 August 2024	2.0	9/9	2/1

Notes:
PTSB is the sole direct subsidiary of PTSBGH. During 2024, the composition of the Boards of PTSBGH and PTSB were identical. Meetings of the Boards of PTSB and PTSBGH run concurrently. Concurrent Board meetings or consecutive Board meetings of PTSB or PTSBGH held on the same day are counted as a single attendance above.

Number of Directorships: the first number stated is the total number of directorships held and the second number 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 group are counted as a single directorship and directorships in organisations which do not predominantly pursue commercial objectives are also not included). Directorships are those held at 31 December 2024 or at time of cessation from the Board. A full listing of each Board member's external directorships are available in the Group's Pillar 3 Disclosures Report available at https://www.permanenttsbgroup.ie/investors/result-centre/year/2024.

Eamonn Crowley's directorships consist of seven group entity directorships and two companies on which he is a representative for PTSBGH.

Division of Responsibilities

The roles and responsibilities of the Board collectively, the Executive and Non-Executive Directors, the Chairperson, Senior Independent Director and Company Secretary, are clearly laid out and documented in a Board Manual, which is reviewed and updated on a regular basis by the Board and at least annually.

The Chairperson

Julie O'Neill's responsibility as Board Chairperson is to ensure the efficient and effective working of the Board. Her role is to lead and manage the business of the Board, promoting the highest standards of corporate governance, ensuring accurate, timely and clear information for the Board, and to lead the process for the annual performance evaluation of the Board, its Committees, and the Non-Executive Directors. The Chair fosters a culture of openness and debate by facilitating the effective contribution of Non-Executive Directors in particular and ensuring constructive relations between Executive and Non-Executive Directors. The Chair has a strong working relationship with the CEO, Eamonn Crowley, and acts as a confidential sounding board for the Directors. Julie O'Neill is also Chair of the Nomination Culture and Ethics Committee.

The Senior Independent Director

Ronan O'Neill is the Board's Senior Independent Director whose primary role is to support the Chairperson on all governance related matters. In addition, he specifically leads the annual appraisal of the Chairperson's performance, acts as an intermediary for other Directors, and ensures that the views of the Non-Executive Directors are heard. He is available to shareholders, should they wish to raise any matter directly.

The CEO

The Board delegates executive responsibility to Eamonn Crowley, the CEO, for the Bank's operations, compliance, and performance. The role of the CEO is to select and lead an effective team to manage the Bank. The executive management team is called the Executive Committee (ExCo), details of which are set out on pages 86 to 87. The CEO is responsible for the formulation of the Group's strategic, operating and financial plans, for review and presentation to the Board, and for the implementation of these plans. The CEO is also required to provide information and insight to the Board that is reliable, relevant, timely, clear and balanced, in order to assist the Board in monitoring the performance of the Group and in making well-informed and sound decisions.

The Company Secretary

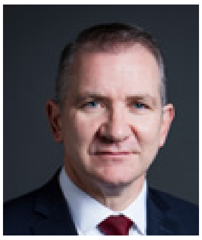
Conor Ryan, Company Secretary and Head of Corporate Governance, assists the Chairperson in promoting the highest standards of corporate governance. The Company Secretary supports the Chairperson in ensuring Directors receive timely and clear information so they are appropriately equipped for constructive debate and informed decision making. The Company Secretary is a central source of guidance and advice on Board policy, procedure and governance. All Directors have access to the advice and services of the Company Secretary and Head of Corporate Governance.

Executive Committee[1]

EAMONN CROWLEY
CHIEF EXECUTIVE

BARRY D'ARCY
CHIEF FINANCIAL OFFICER

GER MITCHELL
CHIEF CUSTOMER & PEOPLE OFFICER



Ger has been a member of the Executive Committee since 2012. Ger is a commercial leader who has held a number of roles at Executive level including HR, Products, Corporate Affairs, Sustainability, and Marketing. In 2024, Ger's role was expanded to include 'Products & Pricing Strategy' which brings the Colleague and Customer Experience together alongside the Marketing and Products Strategy.

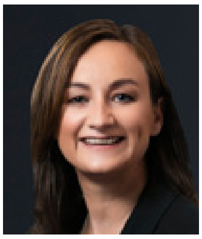
Ger is a purposeful commercial executive, with extensive experience in Acquisitions, Sustainable & Responsible Business, Brand Positioning, Retail Banking, Product Marketing & Management, Consumer Marketing, Business Transformation, Customer Remediation and Human Resources. A culture champion and leader in Diversity, Equity, and Inclusion, who nurtures and develops top talent.

ANDREW WALSH
CHIEF LEGAL COUNSEL

Andrew has extensive legal advisory experience, in both private practice and in-house roles. Andrew joined the Bank in 2014 and became a member of the Executive Committee in 2015. Prior to joining the Bank, Andrew was a partner in a leading corporate Irish law firm, where he worked for over 10 years. While in private practice, Andrew advised a number of Irish and international banks and financial services institutions.

In his role as Legal Counsel, Andrew leads the Bank's Legal function. The Legal function is responsible for overseeing all legal aspects of the Bank's business, as well as contributing to the Bank's strategic decisions and identified growth opportunities. The Legal function also provides support to ensure that the Bank's operations, products and service strategies are designed to consistently adhere to legislative/regulatory requirements and best practices.

CLAIRE HEELEY
HEAD OF INTERNAL AUDIT



Claire, a Chartered Accountant with over 20 years' experience, joined the Bank in 2021 as the Bank's Head of Group Internal Audit from KPMG, where her most recent role was Managing Director, Risk & Regulatory Consulting. In this role Claire led major risk transformation projects and the delivery of internal audit services to a portfolio of financial services clients for over six years. Prior to her role as Managing Director, Risk & Regulatory Consulting, Claire held a number of senior roles including: Retail Division Audit Partner in the Group Internal Audit division of Bank of Ireland and Deputy Group Secretary of Bank of Ireland.

Internal Audit provides independent assurance to the Board over the adequacy and effectiveness of the governance, risk management and control processes in operation across the Bank. Claire is a regular attendee at Group Executive Committee meetings but, in accordance with good governance practices, has no voting rights. Claire has a direct reporting line to the Chairperson of the Board Audit Committee.

1 Following the appointment of Barry D'Arcy (previously the Bank's Chief Risk Officer) as Chief Financial Officer, a recruitment and selection process is underway to fill the vacancy for Chief Risk Officer. Pending that appointment, the Bank has put in place arrangements to maintain the effective oversight and management of the Bank's Risk function.

TOM HAYES
CHIEF TECHNOLOGY OFFICER

Tom is an experienced business transformation and technology leader with deep experience in leading Digital change and operational resilience. Tom joined the Bank in 2017 from AIB where he had most recently held the role of Head of Digital Transformation Delivery. Tom had held various senior technology leadership roles at AIB including: Head of Customer Engagement Technology, AIB Digital and Group Head of IT Infrastructure & Operations.

PTSB Group Technology has responsibility for the development and implementation of the Bank's Technology strategy, the implementation of the Digital Transformation roadmap and the full portfolio of IT Change Delivery. This involves close collaboration across the Bank and especially with the Retail Banking and Group Operations teams to design and implement the Bank's Digital Transformation. The Division also has responsibility for the day-to-day critical technology operations, resilience and protection of technology-enabled customer services.

PATRICK FARRELL
CHIEF RETAIL BANKING OFFICER

Patrick has over 25 years' experience across the banking industry. Patrick joined the Bank in December 2018 as Retail Banking Director, moving to his new role as Chief Retail Banking Officer in August 2024. Patrick has previously held senior management roles in Strategy, Product and Proposition Development, Marketing, Private Banking and, Retail Sales and Service Distribution.

The Retail Banking Division is responsible for all sales and service channels and delivery of the Bank's commercial performance. The Function has multi-channel oversight across sales and service with a focus on improving customer experience, meeting customer needs and wants, enabling income growth and delivery. The division closely collaborates with the Customer and People Team on customer propositions and experience.

PETER VANCE
CHIEF OPERATING OFFICER

Peter joined the Bank as Chief Operating Officer (COO) in 2021 with 25 years' of experience in financial services. As COO, Peter is responsible for Group Change & Transformation, Enterprise Service Delivery including Payments, Financial Crime, Collections & Recoveries as well as other key functions.

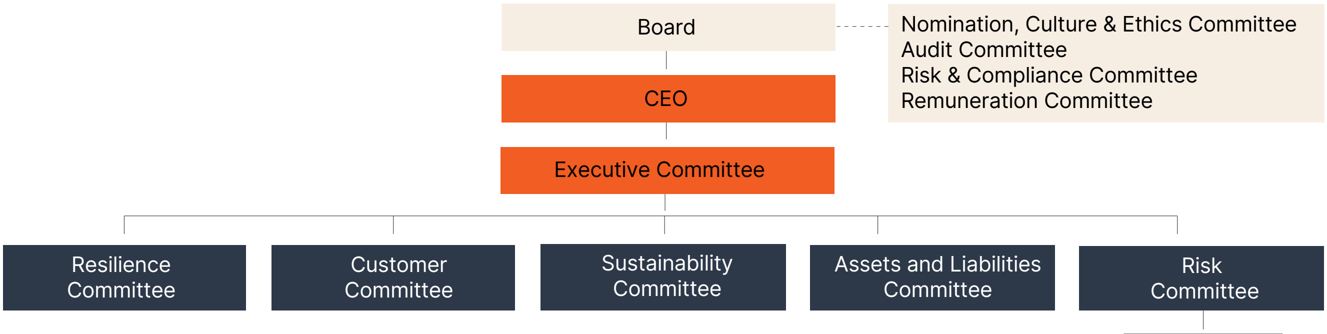
Prior to joining PTSB, Peter held senior positions as Head of Group Operations and Executive Head of Direct Sales & Service Channels in AIB. In this role, Peter was responsible for leading multiple activities in both Ireland and the UK including; Payments, Treasury services, Financial Crime, SME Lending and the Customer Service Centre.

LEONTIA FANNIN
CHIEF SUSTAINABILITY & CORPORATE AFFAIRS OFFICER

Leontia joined the Bank's Executive Committee in August 2024 and is responsible for leading the Bank's Sustainability and Corporate Affairs Strategies. The role of Chief Sustainability & Corporate Affairs Officer was created to reflect the Bank's commitment to sustainability as a key driver of its corporate strategy and the value it places on corporate affairs as an enabler of internal and external stakeholder engagement.

Leontia joined the Bank in 2018 as Head of Corporate Affairs and Communications and has led out on a number of the Bank's key strategic initiatives, including PTSB's Reputation Management, Sponsorship and Sustainability Programmes. Leontia has over twenty years' experience in Corporate Affairs, Reputation Management, Colleague Communications, Sponsorships, Corporate Social Responsibility and Sustainability.

Governance Structure, Roles and Responsibilities



Board

The Board retains accountability for corporate governance within the Group at all times. The Board has reserved for itself a documented schedule of matters for its own approval. The Board delegates executive responsibility to the CEO for the Group's operations, compliance, and performance. The CEO is the principal executive accountable to the Board for the day to day management of the Group. The CEO has established the Executive Committee whose terms of reference are approved by the Board.

Without prejudice to the powers delegated to it, the Board, directly or through its Committees, has exclusive powers regarding a number of matters including acting on behalf of the shareholders to oversee the day-to-day affairs of the business, ensuring the Group's sustainability by collectively directing the company's affairs, whilst meeting the appropriate interests of its shareholders, customers, colleagues and other key stakeholders. In addition to business and financial issues, the Board determines the business strategies and plans that underpin corporate strategy, whilst ensuring the Group's organisational structure and capability are appropriate for implementing the chosen strategies. The Board deals with challenges and issues relating to corporate governance, sustainability and corporate ethics.

Board

- Sets and oversees performance against strategy.
- Sets and oversees delivery of the Group's Sustainability strategy (and drives integration with business strategy).
- Ensures business activity aligns with the Company's stated Purpose, Ambition, Values, and Culture.
- Sets and oversees all risk, financial, compliance and performance standards.
- Demonstrates leadership (sets the tone from the top)

In line with its legal and regulatory obligations, the Board has established Audit, Risk, Remuneration, and Nomination committees as described below. Being composed of the same members and in managing a common agenda, Board Committee meetings of the Company and PTSB run concurrently.

Nomination, Culture and Ethics Committee

Julie O'Neill (C)
Marian Corcoran
Celine Fitzgerald
Ronan O'Neill
Paul Doddrell

- Reviews structure, effectiveness, and composition of the Board.
- Reviews all new Director and senior management appointments.
- Oversees succession planning and performance for directors and senior management.
- Review/monitors the design, implementation and effectiveness of the Company's Purpose, Ambition, and Values.
- Oversees the Company's Culture, Ethics, Diversity, Workforce Engagement and Reputation.

Audit Committee

Ronan O'Neill (C)
Anne Bradley
Ruth Wandhöfer
Catherine Moroney
Rick Gildea

- Oversees internal financial controls.
- Reviews and recommends approval of the Annual Report and Financial Statements to the Board.
- Oversees all relevant matters pertaining to the external auditors.
- Monitors the output of internal audit findings.
- Monitors the effectiveness of the Internal Audit Function.
- Reviews discoveries of fraud and violations of laws and regulations as raised by the head of GIA.

Risk and Compliance Committee

Rick Gildea (C)
Marian Corcoran
Paul Doddrell
Anne Bradley
Catherine Moroney

- Oversees financial and non-financial risks.
- Monitors and makes recommendations to the Board on the Company's appetite for risk.
- Oversees credit, funding and liquidity policies.
- Reviews the Company's regulatory obligations and treatment of customers.
- Review and provide guidance to the Board on the Company's capital and liquidity position for use in strategic decision making.
- Oversight and guidance to the Board on Recovery and Resolution Planning.
- Assesses the impact of Climate and Environmental Risk on the Group's overall Risk Profile.

Remuneration Committee

Celine Fitzgerald (C)
Julie O'Neill
Ruth Wandhöfer
Rick Gildea

- Oversees remuneration and reward strategies.
- Ensures remuneration strategy is aligned with the Company's appetite for risk.
- Oversees senior management reward.
- Monitoring relevant external benchmarks for posts within the scope of Committee.

Upon Donal Courtney's retirement from the Board on 1 October 2024, Rick Gildea was appointed Chair of Board Risk and Compliance Committee and joined the Board Audit Committee. Rick Gildea will step down from Remuneration Committee when two planned Board appointments are completed in early 2025.

Executive Committee

The Executive Committee reports through the CEO to the Board. The Executive Committee advises the Board on matters ranging from business performance, strategy, planning, policy, people and culture, investment and risk. The Executive Committee is accountable for the operations, compliance and performance of the Group. It is responsible for delivery of all delegated governance commitments. The terms of reference of the Executive Committee are approved by the Board.

The Executive Committee has established a number of sub-committees made up of senior management with relevant expertise to address the delegated functions of each sub-committee. The duties of these sub-committees are based on providing organisational direction on behalf of the Executive Committee. Each Executive Committee member provides relevant leadership to the sub-committees, making sure objectives are met. The relevant Executive Committee member ensures the Executive Committee is updated on all material matters considered by the sub-committees. The Group Risk Committee has responsibility for oversight of bank-wide risk management and internal control issues and all members of the Executive Committee are members of the Group Risk Committee.

Executive Committee

- Developing and implementing (as approved by the Board) the Group's Integrated Strategic Plan (ISP).
- Allocating the Group's resources (financial and people) to ensure that ISP commitments are executed and delivered.
- Accountable for the Group's operations, compliance and performance.
- Oversees day-to-day management of the Group.
- Forum for Group-wide functional issues.
- Oversight and leadership of the implementation of the Bank's Sustainability Strategy.

Risk Committee	Assets and Liabilities Committee	Credit Committee	Operational Risk Management Committee	Customer Committee	Sustainability Committee	Resilience Committee
• Oversight of Group wide Risk Management and internal control Issues • Developing the structure and content of the Group's Risk Management Architecture • Maintains, monitors and enforces adherence to risk policies and frameworks • Recommends changes to risk appetite and internal capital and liquidity levels • Measure and monitor the total risk position of the Group and to maintain a Risk Register of the top risks facing the Group, along with an assessment of the probability and severity of those risks	• Manages assets and liabilities, treasury investments, capital management and asset allocation • Manages risks, hedging, and ALM systems • Refresh and recommend to Risk and Compliance Committee for approval of a number of Treasury and Liquidity related Policies • Reviews the ongoing capital adequacy for the Group • Reviews the output from internal capital stress testing programmes • Oversees the Capital Risk related activities and supporting Policies	• Recommends relevant Portfolio Credit Risk elements of the Group's RAS for approval by the Board • Monitors adherence to the Group's Credit Policy and Framework • Monitors the portfolio Credit risks to which the Group is exposed • Escalation point for customer lending decisions • Maintains and assesses the portfolio Credit Risk profile against set limits and approves (within governance) remediation plans to restore Risk Appetite where required • Reports any breaches of approved limits in accordance with the agreed protocol	• Monitors the Operational and IT Risks to which the Company is exposed • Oversees risk mitigation, performance and prioritisation related to the management and control of risk • Reviews and discusses the outputs and results of control testing • Creates awareness of commonly experienced operational & IT Risk matters, to share learnings and enhance the control environment across the Company • Review and monitor KRIs and the operational and IT Risk Appetite Statement • Review emerging risks and other relevant operational and IT Risk metrics	• Prioritise opportunities, resources and capabilities to deliver sustainable commercial growth • Oversight of significant business propositions and strategies that have a material customer impact • Approval body for product governance arrangements • Review body for all high impact customer events, issues and complaints • Monitor and report on customer performance indicators aligned to the Group's strategic pillars • Monitor and report on conduct risk indicators against the Board approved risk appetite and conduct risk principles • Serve as the central oversight body for all significant customer matters ensuring fair treatment of customers	• Oversight of the development and implementation of the Group's Sustainability Strategy and related KPIs. • Oversee Sustainability-related programming and provide guidance and support to sustainability activities across the Group. • Engage stakeholders as needed to ensure organisational alignment on key risks and issues, while maintaining awareness and linkages to other strategic programmes. • Monitor and report progress to the Board and Executive Committee at regular intervals throughout the year.	• Monitor and report on Operational Resilience, Digital Operational Resilience and Third Party resilience activities and risk profile • Oversees the development and implementation of the Bank's Resilience strategy and Digital Operational Resilience Strategy and related activities • Oversight of Group third party and outsourcing relationships, including performance, issues management and risks

"The Board has overall governance responsibility for the operations of the Group"

Board Role and Responsibilities

The Board as a whole is collectively responsible for the leadership, strategic direction and policy, operational performance, financial matters, risk management and compliance of the Group. The Board exercises leadership, integrity and judgement in directing the Group, based on transparency, accountability and responsibility. The Board is also the focal point for the implementation of best practice corporate governance within the Group. All Directors must take decisions objectively in the interests of the Company. The key responsibilities of the Board as a whole are to:

Key Responsibilities of the Board	
Customers	Ensure the Bank's culture, systems and practices build trust and promotes the fair and transparent treatment of customers, both existing and new.
	Deliver a positive customer-focused culture that is both embedded through adherence to the Bank's purpose, ambition and values and can be effectively demonstrated through regular updates from Management.
Culture and Diversity	Setting the Bank's purpose, ambition and values, and monitoring culture and alignment to the Bank's purpose and values.
	Embedding the Bank's Organisational Culture and Diversity, Equity and Inclusion Programmes.
Strategy	Question, challenge, assist in the development of, and approve the strategic, financial and operating plans proposed for the Bank by Management. Ensure that an appropriate level of balance exists between its strategic contribution and that of its monitoring and policing activity.
	Oversight of the ESG factors considered material to the business and ensuring they are monitored and managed as part of the Bank's strategic formulation.
Stakeholders	Ensuring regular engagement and effective communication with stakeholders in order to understand their views on governance and performance against strategy.
Shareholders	Ensuring directors develop a clear understanding on the views of shareholders.
Sustainability	Ensuring the Bank enables support for customers, colleagues and communities while it conducts and manages all areas of its business in a responsible way through integrating sustainability within strategic planning.
Risk Appetite and Risk Management	Define the strategy for the ongoing management of material risks and ensure that the Board is sufficiently briefed on major risk factors (both current and emerging) by ensuring there is a robust and effective internal control framework that includes well-functioning risk management, compliance and internal audit functions as well as an appropriate financial reporting and accounting framework.
	Provide leadership for the Bank within a framework of prudent, ethical and effective controls which enable risk and compliance to be assessed and managed.
Capital Structure	Set and oversee the amounts, types and distribution of both internal capital and own funds adequate to cover the risks of the Bank.
	Be accountable, particularly to those who provide the Bank's capital.
People and Reward Strategy	Ensure there is a remuneration framework that is in line with the risk strategies of the Bank.
	Ensure there is a robust and transparent organisational structure with effective communication and reporting channels.
	Ensure that Management create and develop a performance culture that drives sustainable value creation and not expose the Bank to excessive risk of value destruction.
	Ensure that workforce policies and practices are consistent with the Company's values and support its long-term sustainable success and that the workforce is able to raise any matters of concern.
Oversight	Make well informed and high quality decisions based on a clear line of sight into the business.
	Ensure that the Bank has a robust finance function responsible for accounting and financial data.
Governance Arrangements	Review regularly the appropriateness of its own governance arrangements and conduct internal as well as external evaluation of the Board's effectiveness.
	Review corporate governance matters such as Group Frameworks, terms of reference and succession plans.

Directors must act in a way they consider, in good faith, would promote the success of the Company for the benefit of shareholders as a whole and, in doing so, have regard (amongst other matters) to the likely consequences of any decision in the long-term; the need to foster the Bank's business relationships with customers, suppliers and others; interests of the Bank's employees; impact of the Bank's operations on the community, environment and tax payer; and desirability of the Bank maintaining a reputation for high standards of business conduct.

Board Decisions

There is an effective Board to lead and control the Bank with members who have diverse expertise in various aspects of the Bank's business. The Board has reserved to itself for decision, a formal schedule of matters pertaining to the Bank and its future direction, such as the Bank's business strategy, major acquisitions and disposals, Board membership, the appointment and removal of senior executives, executive remuneration, trading and capital budgets, risk management and compliance frameworks. This schedule is updated on a regular basis and at least annually. On an annual basis, the Board approves a Risk Appetite Statement ('RAS') together with its strategic, operating and financial plans (Integrated Strategic Plan). The RAS is a description of the level and types of risk the Bank is willing to accept or to avoid, in order to achieve its business objectives.

The Board delegates day-to-day management of the Bank to the CEO. The Board relies on the Risk Appetite and the delivery of the Integrated Strategic Plan to be implemented by the CEO, the Bank's Executive Management Committee and their Management sub-committees. All strategic decisions are referred to the Board. Documented rules on management authority levels and on matters to be notified to the Board are in place, supported by an organisational structure with clearly defined authority levels and reporting responsibilities.

Board Focus Areas and Priorities

As in previous years, the Board has adopted a set of objectives closely aligned with the Bank's purpose, ambition, and strategic objectives. Following a transformative period in 2023, the Board focused on leveraging the Bank's strengthened position in the Irish retail banking market, driving sustainable growth, and delivering long-term value. This involved providing enhanced oversight of the Bank's continued business growth and diversification strategy. Particular attention was given to enhancing the Bank's position in the personal and business banking market, and growing the SME and Asset Finance portfolios, while also strengthening customer retention and acquisition in the mortgage market through competitive fixed-rate and green mortgage products. Furthermore, the Board ensured the effective use of the Bank's strengthened capital position, supported by the sale of the "Glas III" Non-Performing Loan portfolio.

Aligned with the Bank's "Altogether More Human" brand promise, the Board prioritised delivering exceptional customer experiences by overseeing the next phase of the Bank's digital transformation programme. This included enhancing customer-facing and back-end banking systems and monitoring the development of innovative digital features such as the "PTSB Protect" fraud prevention tool. Investments in customer service capabilities aimed to enhance accessibility and inclusivity, complemented by initiatives to expand sustainability-focused offerings, including green lending products and participation in government-backed schemes like the SBCI Growth & Sustainability Loan Scheme. The Board also focused on building stronger connections with the community through programmes that support inclusivity, such as the autism-friendly accreditation achieved in partnership with AsIAm.

The Board remained committed to advancing the Bank's sustainability agenda, which continued to be a core strategic priority. Significant attention was given to monitoring the Bank's progress in setting Science-Based Targets and preparing its first disclosure under CSR regulations. Expanding the Bank's green loan offerings and climate-focused initiatives will be central to helping customers transition to a low-carbon. At the same time, the Board continues to oversee initiatives to embed sustainability into the Bank's operations, ensuring alignment with the expectations of regulators, shareholders, and the broader community.

Maintaining financial and operational resilience was a key focus for the Board in 2024. The Board provided oversight on delivering cost management initiatives designed to achieve operational efficiencies and offset rising costs associated with inflation and strategic investments. The Board monitored the Bank's capital and liquidity position to ensure compliance with regulatory requirements while maintaining flexibility for growth. A strong focus was placed on asset quality and risk management, supported by the reduction of the Non-Performing Loan ratio to 1.8% following the completion of the "Glas III" transaction.

Following the significant transformation of the Bank in recent years, the Board focused on executing the forward-looking improvement plan developed in 2023 which is described in further detail as part of the Chairperson's introduction to governance on page 74 of the annual report. This plan aimed to enhance governance, operational resilience, and core capabilities across the Bank. Regular reviews of strategic assumptions and risk frameworks ensured alignment with regulatory, economic, and societal expectations. The Board has also supported the Bank in anticipating and adapting to long-term changes, including technological advancements, evolving market conditions, and climate-related risks.

The Board remains committed to maintaining the momentum of the Bank's brand repositioning and increasing engagement with stakeholders. The Board will ensure alignment between the Bank's strategic goals and stakeholder expectations, including transparent communication of its shareholder distribution policy and long-term investment plans. Through these actions, the Board aims to deliver a sustainable and resilient business model, strongly underpinned by its financial, technological, and human resource capabilities, ensuring the Bank is well-positioned to meet future opportunities and challenges.

In 2025, the Board will focus on several critical areas to ensure the continued success and sustainability of the Bank. A key priority will be managing the induction and onboarding of new directors while overseeing a smooth transition following the planned retirements of two Independent Non-Executive Directors. This process will be carefully managed to maintain the continuity and effectiveness of the Board. The Board will also provide oversight of the implementation of a Voluntary Severance Scheme ('VSS'), which has been announced as part of efforts to right size the Bank's workforce, ensuring the scheme is executed in alignment with strategic, operational and financial goals. In addition, the Board will continue to explore inorganic growth opportunities, building on the success of the Ulster Bank transaction, to enhance the Bank's scale and competitive position.

The diversification of income streams will remain a strategic priority, with a particular focus on expanding the Asset Finance and SME business lines to strengthen the Bank's revenue base and market position. The Board will also focus on embedding sustainability across the Bank and will continue to prioritize its role in managing the Bank for the benefit of all stakeholders, ensuring strategic decisions balance the needs of customers, colleagues, shareholders, and the wider community.

Building resilience in the Bank's operations, systems, processes, and technology will remain a cornerstone of the Board's focus. This will include ensuring that investments in technology and operational improvements enhance the Bank's ability to adapt to future challenges and opportunities. Through these actions, the Board aims to deliver sustainable value, ensuring that the Bank is well-positioned to meet the evolving needs of its stakeholders and the wider market in the years ahead.

Strategy Development

The Board is responsible for setting the strategic direction of the Bank. In the first half of 2024, the Board approved a refreshed business strategy for the Bank following significant engagement with the Executive Team that included all-day strategy review sessions. Following approval of a refreshed business strategy the Board approved an Integrated Strategic Plan, which was developed and agreed in the second half of 2024. The plan sets out the specific initiatives that will be undertaken and the human, financial and technical resources that will be allocated to each. The annual strategic planning process integrates strategic, financial, workforce, sustainability and change delivery plans and aligns with the Bank's Risk Appetite, ICAAP, ILAAP, Recovery Plan and Resolution Plan.

The role of the Non-Executive Directors is to help Management develop, constructively challenge and critically review proposals on strategy, oversee and monitor strategy implementation and address any weaknesses identified regarding its implementation. While there is a formalised strategy development and approval process, there is also regular and ongoing discussion and challenge of strategy development and execution at Board meetings. The effectiveness of the strategy development process is a key element of the annual Board review where feedback is sought on the process' effectiveness during the year in review.

The Board is responsible for overseeing the implementation of the Integrated Strategic Plan and has agreed a set of Key Performance Indicators to monitor achievement of the plan and to enable corrective action to be taken where required. On an ongoing basis throughout the year, the Board receives management updates on key strategic programmes of work and on progress against Key Performance Indicators.

Independence

The independence status of each Director on appointment is considered by the Board. In addition, the independence status of each Director is reviewed on an annual basis to ensure that the determination regarding independence remains appropriate. In determining independence, the Board will consider guidance on independence provided within the UK Code.

The Board has carried out its annual evaluation of the independence of each of its Non-Executive Directors, taking account of the relevant provisions of the UK Code, namely whether the Directors are independent in character and judgment and free from relationships or circumstances which are likely to affect, or could appear to affect the Directors' judgment.

With the exception of Marian Corcoran and Paul Doddrell, who were each nominated for appointment to the Board under the terms of a Relationship Framework with the Minister for Finance of Ireland, the Board is satisfied that each of the current Non-Executive Directors fulfil the independence requirements of the UK Code. The Chairperson meets the UK Code requirement to be independent on appointment.

Each of the Chairperson and all of the Non-Executive Directors bring independent challenge and judgement to the deliberations of the Board through their character, objectivity and integrity.

Board Size and Composition

The composition of the Board and its Committees is reviewed by the Nomination, Culture and Ethics Committee and the Board annually to ensure there is an appropriate mix of knowledge, experience and skills. This detailed assessment considers tenure, succession planning, Board diversity and assessment of the continued collective suitability of the Board. The Board has a target size of 12 Directors with 2 appointments expected in 2025 to achieve this level. In addition to having Directors with a broad range of knowledge, experience and skills, a principal consideration used to determine the size of the Board is the ability to resource all of the Board's Committees with five Non-Executive Directors and without need for over reliance on any one Director or small group of Directors.

Save where a Director is nominated for appointment by the Minister for Finance under the Relationship Framework, the Board requires that all Non-Executive Directors are Independent Non-Executive Directors. The Board believes there is an appropriate combination of Executive and Non-Executive Directors such there is sufficient independent challenge and oversight of management and that no individual or small group of individuals can dominate Board decision making.

At 31 December 2024, the Board comprised ten Directors: the Chairperson, who was independent on appointment, the CEO and eight Non-Executive Directors, six of whom have been determined by the Board to be independent Non-Executive Directors. On 25 February 2025, Barry D'Arcy was appointed as an Executive Director and Chief Financial Officer bringing the Board size to eleven. Changes to the Board during 2024 are set out in the Directors' Report on page 68 of the annual report. Biographies of each of the Directors are set out in the Board of Directors section on pages 79 to 83. The wide range of knowledge, experience and skills encapsulated in the biographies are harnessed to the maximum possible effect in the deliberations of the Board. Having Directors with diverse backgrounds in areas such as risk management, banking, change management, digital/IT, strategy, finance, culture evolution, change management and auditing provides both subject matter expertise and facilitates a broad spectrum of review and challenge at Board meetings, particularly when addressing major issues affecting the Bank.

Decisions on Board membership are taken by the Board or by shareholders with recommendations coming from the Nomination, Culture and Ethics Committee.

Term of Office

The term of office of Non-Executive Directors is three years, (with an option for a further three years) and is subject to satisfactory performance that is reviewed annually. In accordance with the UK Code, all Directors in situ at the time of publication of the AGM notice are required to seek re-appointment by election at the AGM. Non-Executive Directors will automatically retire from the Board after six years. It is always at the discretion of the Board to invite a Non-Executive Director to continue for a further 3 year period and any term beyond this will only be exercised in exceptional circumstances.

The Chair is proposed for re-appointment by the Directors on an annual basis. The term of office of the Chair is six years. Julie O'Neill joined the Board on 17 January 2023.

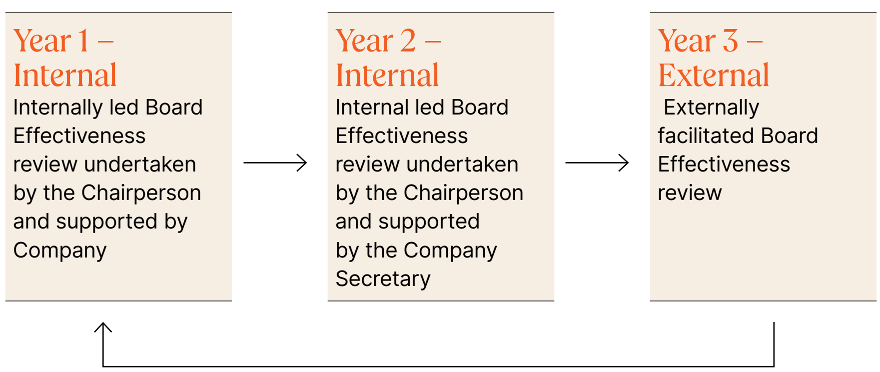
Executive Directors' service contracts are reviewed by the Remuneration Committee and approved by the Board. Executive Directors' contracts provide for a 6 month notice-period for all appointments made after 2020. Holders of Executive office in the Company will vacate the office of Director on notice (given or received) of ceasing to hold Executive office, though it is at the discretion of the Board to extend Board membership until such time as the Executive office has ceased. Directors who hold any directorship in a subsidiary of the Company will vacate said directorship on ceasing to be a Director of the Company and no Director will receive compensation for loss of office as a Director of a subsidiary of the Company.

2024 Board Performance Evaluation

The Board is committed to enhancing its performance and the effectiveness of its activities on an ongoing basis. Regular Board and Committee assessments play a vital role in fostering continuous improvement and ensuring effective governance. These assessments provide valuable insights into how the Board operates, how directors collaborate, and areas for development.

In compliance with the UK Corporate Governance Code the Bank conducts annual evaluations of Board performance, with an externally facilitated evaluation required every three years. The last externally facilitated evaluation was conducted in 2021 by the Promontory Group, and accordingly, the 2024 evaluation was externally facilitated by Korn Ferry. Korn Ferry provides no additional services to the Bank, aside from leadership coaching for the Executive team in 2024, and maintains no other connections with the Bank or individual directors.

The 2024 evaluation assessed the balance of skills, experience, independence, and knowledge within the Board, as well as its diversity, including gender balance, and how effectively the Board functions as a cohesive unit. It also evaluated whether Board committees possess the expertise necessary to discharge their responsibilities effectively. These evaluations are a cornerstone of the Bank's commitment to maintaining high standards of governance and accountability.



2024 Board Performance Process

The Board evaluation, externally facilitated by Korn Ferry, commenced in September 2024 and concluded in February 2025 comprised a number of activities supported by internal actions set out in the table below:

Stage 1. Approach agreed with the Chairperson and endorsed by the Nomination, Culture and Ethics Committee.	• A review of the existing board evaluation process (qualitative and quantitative) was carried out by the Company Secretary and amendments proposed to the Chairperson. • Korn Ferry were selected as the external facilitator for the Board Evaluation. A key determinant in the selection of Korn Ferry was their knowledge of the Bank's key issues and governance arrangements following a series of leadership coaching sessions for the Executive team in 2024. • Korn Ferry met with the Chairperson and Company Secretary to discuss and agree the scope and objectives of the review.
Stage 2. Korn Ferry undertake a review of the Board.	• Korn Ferry observed the 1 October 2024 Board meeting. • Korn Ferry facilitated a full day Board performance reflection session on 15 October 2024.
Stage 3. Gather information and insights from internal questionnaires and interviews.	• A self-assessment governance questionnaire was issued by the Company Secretary to the Board/Board Committees and a more focussed questionnaire to ExCo (on ExCo perception of Board Governance). • 1 to 1 performance meetings were held between the Chairperson and Non-Executive Directors. These meetings also assessed the training requirements for individual directors and collectively for the Board. • The Senior Independent Director ('SID') engaged with Directors to seek feedback on the Chairperson's Performance. • The Chairperson completed the annual performance evaluation of the CEO and reported on same to Nomination, Culture and Ethics Committee. • An internal review of governance obligations was undertaken incorporating a review of Director Independence; Board and Committee tenure; attendance schedule for 2024 Board and Board Committee meetings; assessment of external directorships and time commitments; review of conflicts of interest and, certification of director fitness and probity requirements.
Stage 4. Individual Board Committees reviewed the results of their Committee questionnaire.	• During December 2024, each Board Committee held a meeting and discussed the results of the individual committee assessments. Feedback and actions from these meetings informed the overall Board Evaluation and actions to improve Board and Board Committee effectiveness.
Stage 5. At the February 2025 Nomination, Culture and Ethics Committee and Board meetings, outputs from Korn Ferry and all the internal assessments were considered.	• Korn Ferry report prepared based on their observations and having been provided with all feedback and data from Stage 3. • All feedback from Stage 3 and 4 together with the Korn Ferry Report analysed and assessed. • A series of insights reviewed based on Korn Ferry Report and Stage 3 and 4 findings.

Outcomes and Actions of 2024 Board Performance Evaluation

During a meeting held on 4 February 2025, the Nomination Culture and Ethics Committee considered reports from Korn Ferry and the Company Secretary which provided both internal and external perspectives on Board performance. The Korn Ferry report focussed on the following areas:

1. Definition of Board Mandate: demonstrating there was clear, common understanding of purpose and accountabilities with a focus on Board Culture.
2. Delivery of Mandate: Ensuring there was focus on delivery of Board objectives with tracked realisation of expected outcomes.
3. Board Composition: Ensuring the right mix of knowledge experience and skills on the Board to support management in delivery of the Bank's strategy.
4. Director Contribution: Ensuring Directors show and speak up appropriately and demonstrate a clear understanding of their responsibilities.
5. Team Dynamics: Exploring how Directors worked together, and with management. How the Chairperson led and created the right balance between support and constructive challenge of the Executive team.

Overall, the report acknowledged the Board had been effective in its mandate and had played its role in successfully steering the bank through the unpredictable and turbulent events of recent years and now faced into a future that was certain to be equally challenging. It was noted the Chairperson was overseeing an evolution of Board composition to ensure the right knowledge, experience and skills existed to fully understand and appraise the multiple opportunities and challenges the Bank would face over the coming years. It was noted Board meetings operated with efficiency; agenda items were clear, board members were prepared, proceedings for the most part ran to time, and scheduled business got done.

Arising from the evaluation process, a number of focus areas were accepted by the Board with actions to be agreed and implemented throughout 2025.

2024 Board Performance Themes and 2025 Focus Areas

Theme	Focus Area
Stakeholder Engagement	In recognising the Bank has multiple stakeholders who will often have differing views on the Bank, ensure careful consideration is given to managing the expectations of stakeholders and providing clear and constructive messaging for Board actions.
Efficiency of Governance	Ensure the Bank's governance architecture and management committee structure is appropriate to the size and business model of the Bank. Ensure the governance process is thorough but efficient and customer focussed.
Decision Making	Greater consideration of stakeholders in the decision making of the Board through embedding of the Bank's 'Decision Yes Checks' (an approach to ensure that all material decisions are informed by consideration of our customers, colleagues, sustainability, risk while delivering value for our shareholders).
Strategy	Ensuring execution of the Bank's Integrated Strategic plan drives the Board agenda with simple and clear KPIs (business performance and capability) to support Board oversight and challenge. Ensure the Bank's Strategic Planning process continues to evolve to the challenges of the external environment.
Sustainability	Ensuring that the Bank's Sustainability agenda is getting the right level of management and Board oversight and the Bank continues to integrate sustainability within strategic decision making.
Risk	Continue to prioritise oversight on the effectiveness of the Bank's risk management framework with focus on ensuring the effective utilisation of the three lines of defence model.
Board Knowledge and Experience	Continue to ensure the knowledge, experience and skills for Board and the Executive Committee are understood, are aligned to the Bank's risk profile and designed to the ensure delivery of the Bank's Integrated Strategic Plan.

Director Induction and On-Going Business Awareness

On appointment to the Board, all Directors receive a comprehensive induction training schedule tailored to their individual requirements. The induction, which is designed and arranged by the Company Secretary in consultation with the Chairperson (and approved by the Board Nomination, Culture and Ethics Committee), will include meetings with Directors, Senior Management and key external advisors, to assist Directors in building a detailed understanding of the Group's operations, management and governance structures, including the functioning of the Board and the role of Board Committees and key issues facing the Group. Directors will also be encouraged, where appropriate, to make site visits to see the Group's operations first hand. Where appropriate, additional business awareness briefing sessions and updates on particular issues identified in consultation with the Chairperson and Non-Executive Directors will be arranged by the Company Secretary. These will be held regularly to ensure that Non-Executive Directors have the knowledge and understanding of the business to enable them to contribute effectively at Board meetings. The business awareness and development needs of each Non-Executive Director will be reviewed annually as part of the performance evaluation process.

2024 Board Training and On-Going Business Awareness

Board Training Sessions
A number of Board training sessions were facilitated during 2024 to support on-going business awareness and Director development. Topics for Board training sessions are recommended by the Board Nomination, Culture and Ethics Committee and include a balance of technical, governance and professional development. Training delivered during 2024 included: Cyber Security; Capital Models; Operational Resilience; Individual Accountability Framework including SEAR; AML/CTF training; and Sustainability, incorporating Science Based Targets and briefings on CSRD.

Board Briefings
In addition to formal Board training sessions, a number of Board briefings were presented to the Board during 2024. The purpose of these briefings is to ensure Directors have the knowledge and understanding of the business to enable them to contribute effectively to meetings, by providing insight into impending changes which may impact on the Board's responsibilities, the Bank's progress in implementing such changes, or to present industry updates. Board briefings presented during 2024 included: macro-economic outlook; capital and liquidity planning; recovery planning simulation exercise; market abuse update; legal and regulatory developments; geopolitical developments; Investor/Shareholder perspectives, customer behaviour analysis; and, technology developments and innovation.

Individual Director Development
An individual training plan is developed for each Director on appointment. The purpose of individual training plans is to support individual Director development. Each Director is required to undertake the Institute of Banking in Ireland Certified Bank Director programme. Directors are also offered the option of attending suitable external educational courses, events or conferences designed to provide an overview of current issues of relevance to their work on the Board.

Board Meetings

The table on page 84 shows Board membership and directors' meeting attendance during 2024. There were 15 scheduled meetings in 2024 (which included 3 all day strategy sessions). All scheduled Board meetings were held in-person. In addition to scheduled meetings, additional meetings of the Board, and some of its Committees (detailed in each Committee report) were held throughout the year to receive updates and deal with time-critical matters. There were 2 such additional Board meetings held in 2024.

Agendas and papers are circulated to Directors electronically via a secure online Board portal in sufficient time to facilitate review by the Directors.

At each of the scheduled Board meetings, the directors received reports from the Chairperson, Board Committee Chairpersons, the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer and other members of the executive management team, as appropriate. Other senior executives attended Board meetings throughout the year to present reports to the Board. This provided the Board with an opportunity to engage directly with management on key issues. The Board is particularly focussed on strategy, customer outcomes, sustainability, commercial/financial performance and risk/compliance matters at each of its meetings. The minutes of Board committees are made available to all Directors through a designated reading room in the Board portal. The Board portal also contains an extensive document repository and is the primary method of communication with Directors.

The Board, Board Committees and the Bank's Executive Committee operating rhythm supports a proactive and focused agenda planning and paper preparation process. This process includes pre-meetings of the Board between the Chairperson, CEO and Company Secretary to ensure the Board and Executive Management are aligned on Board agendas.

Board Committees

The Board has established four permanent Committees to assist in the execution of its responsibilities. These Committees are:

- Audit
- Risk & Compliance
- Nomination, Culture & Ethics
- Remuneration

During 2024, the Board Audit and Remuneration committees were composed of Independent Non-Executive Directors. The Board Risk and Compliance and Nomination Culture and Ethics committees were composed of a majority of Independent Non-Executive Directors. The Membership and the Chairpersonship of each committee are reviewed annually. On the 6 February 2025, the Board established the Business Transformation Oversight Committee to support the Board in monitoring and providing feedback on strategic business transformation initiatives and to ensure the Bank meets its value realisation targets therein. It is expected this committee will remain constituted for a period of two years at which point its purpose and remit will be reviewed.

Each of the Board Committees has a Terms of Reference, under which authority is delegated by the Board, and which are reviewed annually. The Terms of Reference of each Committee are available on the Bank's website https://www.permanenttsbgroup.ie/document-centre. The Board Committee Chairpersons are expected to attend the AGM and be available to answer questions from shareholders.

Corporate Governance Statement
Risk Management and Internal Control

Board responsibilities
The Board has overall responsibility for maintaining a system of risk management and internal control which provides reasonable assurance of effective and efficient operations, internal financial and operational control, and compliance with laws and regulations.

The Group's business involves the acceptance and management of a range of risks, consistent with its corporate purpose. The Group's system of risk management and internal control is designed to ensure the delegation of responsibility for risk oversight and management is appropriate to the nature and type of risk faced by the Group.

Provision 29 of the UK Code requires the Board to annually review the effectiveness of the Group's system of risk management and internal control. This requires a review to cover all material controls including financial, operational and compliance controls.

The Board confirms it has conducted a robust assessment of the Group's emerging and principal risks. This assessment is integrated into the Group's systems of risk management and internal control ensuring that risks are continuously identified, monitored, and mitigated effectively.

The Group has a well-established internal control framework underpinned by an enterprise risk management framework, divisional operational frameworks and has risk frameworks and policies in place for each of the Group's material risk categories. The Group has a well-defined approach to setting and monitoring its appetite for risk, operates a 'Three Lines of Defence' model and has the required resources and governance structures in place to support this model.

Monitoring of risk management and internal control is an ongoing part of the governance process at Board Audit and Board Risk and Compliance Committee meetings. The Board Audit Committee reviews a control environment report on a regular basis which provides a holistic perspective of the control environment within the Group. The Board Audit Committee also receives reporting at each meeting from the Head of Group Internal Audit ('GIA'), on the effectiveness of the control environment through reporting on findings that arise from internal audit activity. On a bi-annual basis, the Board Audit Committee reviews the interim and final Audit Opinion prepared by the Head of GIA. The Audit Opinion considers the adequacy and effectiveness of the governance, risk and control environment within the Group and specifically, how they relate to individual business areas, it also takes into account the strategies, objectives and risks of the organisation. The Board Audit Committee reviews the internal controls in place over financial reporting in order to provide reasonable assurance the half-year and full-year accounts materially present a true and fair view of the Group's financial position and performance. The Board Risk and Compliance Committee receive updates at each meeting from the Bank's Chief Risk Officer and Head of Compliance concerning the Bank's operational and compliance controls.

The Chairs of the Board Audit Committee and Board Risk and Compliance Committee report on all material risk and control related matters to the Board at each scheduled meeting, as does the Chief Risk Officer who attends a material portion of each Board meeting.

The Board has a particular focus on ensuring that appropriate governance structures are in place to address issues raised through internal review and through feedback from stakeholders, including regulators. There was no significant failure of the Group's system of risk management and internal control during 2024 leading to a material financial loss.

Internal Control Procedures
The Group's internal control procedures are designed to safeguard the Group's net assets, support effective management of the Group's resources, and provide reliable and timely financial and operational reporting both internally, to Management and those charged with governance, and externally to other stakeholders. They include the following:

- An organisational structure with formally defined lines of responsibility and delegation of authority;
- As set out in the Risk Management Section, a 'Three Lines of Defence' model has been adopted by the Group for the effective oversight and management of risks across the Group, with GIA being the Third Line of Defence;
- A corporate governance structure has been defined showing the key governance and decision making bodies of the Group; each governance body has a terms of references that to sets set out its key areas of responsibility;
- The preparation and issue of financial reports, including the consolidated Annual Report, is managed by Group Finance with oversight from the Board Audit Committee. The Group's financial reporting process is controlled using documented accounting policies and reporting formats issued by Group Finance to all reporting entities, (including subsidiaries), within the Group, in advance of each reporting period end. Group Finance supports all reporting entities in the preparation of financial information. Its quality is underpinned by arrangements for segregation of duties to facilitate independent checks on the integrity of financial data. The financial information for each entity is subject to review at reporting entity and Group level by Senior Management. In addition to reviewing and approving the full year Annual Report, the Interim and Annual Report are also reviewed by the Board Audit Committee in advance of being presented to the Board for their review and approval;
- Comprehensive budgeting systems are in place, with annual financial budgets and a five year medium term financial plan, prepared and considered by the Board. Actual results are monitored and there is monthly consideration by the Board of progress against budgets and forecasts;
- Clearly defined capital investment control guidelines and procedures set by the Board;
- Responsibilities for the management of credit, investment and treasury activities which are delegated within limits to line management. In addition, Group and Divisional Management have been given responsibility to set operational procedures and standards in the areas of finance, tax, legal and regulatory compliance, human resources and information technology systems and operations;
- GIA's responsibility for the independent assessment of the Group's corporate governance, risk management and internal control processes. The Head of GIA reports directly to the Chairperson of the BAC;

- The reviews completed by the Board Audit Committee on the scope, nature and independence of the work of undertaken by GIA;
- The reviews completed by the Board Audit Committee of progress with the internal audit programme of work. The Head of GIA reports regularly to the BAC in private session. The BAC also reviews the Interim and Annual Report and the nature and extent of the external audit. There are formal procedures in place for the external auditors to report findings and recommendations to the Audit Committee. Any significant findings or identified risks are examined so that appropriate action can be taken;
- Under the Group's Internal Control Framework, there are divisional control frameworks in place within each business unit under which Executive Management reviews and monitors, on an on-going basis, the controls in place, both financial and non-financial, to manage the risks facing that business;
- The monitoring of regulatory compliance within the Group by the Head of Regulatory Compliance who reports to the CRO and who also provides regular updates to the Board Risk and Compliance Committee; and,
- Established systems and procedures to identify, control and report on key risks. Exposure to these risks is monitored at Board level by the Board Risk and Compliance Committee. As a standing item on both Board Risk and Compliance Committee and Board agendas, the CRO regularly reports on all material issues related to activity within the Group's risk and control environment. The CRO is a member of ExCo, Chairs the Group Risk Committee and has reporting lines to the CEO and Chairperson of Board Risk and Compliance Committee.

The Board Risk and Compliance Committee reviews the compliance and risk management programmes and monitors the risk profile of the Group. The Board Risk and Compliance Committee supports the Board in carrying out its responsibilities for ensuring that risks are properly identified, reported, assessed and controlled, and that the Group's strategy is consistent with the Group's Risk Appetite.

The Remuneration Committee is responsible for oversight of the Group's remuneration and reward strategies. It ensures the remuneration strategy is aligned with the Group's appetite for risk, business strategy, values, culture and ambitions, and oversees Senior Management reward.

The Nomination, Culture and Ethics Committee is responsible for the culture, behaviour, ethics and reputation management oversight in the Group.

The Board is committed to nurturing a 'Speak Freely' culture where it is safe and acceptable for all to raise any concerns that they may have about practices, processes or behaviours that do not meet these standards or align with the Group's Ambition, Purpose and Values. The Group's 'Speak Freely' Procedure protects colleagues who wish to raise a concern, or to make a protected disclosure, relating to an actual or potential wrongdoing in the workplace. 'Speak Freely' focuses on encouraging colleagues to raise a concern via a number of different channels by creating a psychologically safe environment in which to do so. In addition, the Group also has in place a Colleague Conduct Policy, which outlines the standards of responsibility and ethical behaviour to be observed by all the Group's employees. The Board Nomination, Culture and Ethics Committee receives regulator reporting on key themes and issues reported through the 'Speak Freely' process.

Internal Control over Financial Reporting

The Group operates a Group Finance Divisional Control Framework (a divisional framework of the Group's Internal Control Framework) over financial reporting to support the preparation of the consolidated financial statements. The effectiveness of the Group's systems of control over financial reporting is reported on to the Board Audit Committee on an annual basis. The main features are as follows:

- A comprehensive set of accounting policies are in place relating to the preparation of the interim and annual financial statements in line with IFRS, as adopted by the EU;
- A control process is followed as part of the interim and annual financial statements preparation, involving the appropriate level of Management review of the significant account line items, and where judgments and estimates are made, they are independently reviewed to ensure that they are reasonable and appropriate. This ensures that the consolidated financial information required for the interim and annual financial statements is presented fairly and disclosed appropriately;
- The Interim and Annual Report are subject to detailed review and approval through a process involving Senior and Executive finance personnel;
- Summary and detailed papers are prepared for review and approval by the BAC covering all significant judgmental and technical accounting issues together with any significant presentation and disclosure matters; and
- A GIA function with responsibility for providing independent, reasonable assurance to key internal committees and Senior Management, and to external stakeholders (regulators and external auditors), on the effectiveness of the Group's risk management and Internal Control Framework.

PTSB recognises the importance of having a diverse and inclusive Board that fosters innovation, engagement and collaboration to deliver on the Bank's strategic objectives.

Diversity
A diverse and inclusive culture is essential to the long-term success of PTSB and enables the Group to respond to diverse customer and wider stakeholder needs and to deliver long-term sustainable growth. The Group embraces diversity at all levels of the organisation and appreciates the different perspectives and unique value each Board member and employee brings to the role and the value that creates for the business, colleagues, community and wider stakeholders. Further details on the Group's Organisational Culture, Diversity, Inclusion and Equal Opportunity Programmes are set out on page 206.

Board Diversity Policy
The Board has a Diversity Policy which is reviewed annually. The Board Diversity Policy sets the target for gender diversity and also sets guidance on the appropriate mix of financial versus non-financial knowledge and experience on the Board as well as the geographic location/ background of Directors. The Policy also describes how the Board will consider other key metrics when carrying out succession planning activities or Board recruitment/refreshment. The Board Diversity policy is published on the Group's website: https://www.permanenttsbgroup.ie/document-centre.

The Group recognises the benefits of having a diverse and inclusive Board whose members reflect a wide range of relevant knowledge, skills and experience with differences in educational and professional background, ethnicity, gender, age, cognitive and personal strengths, and other qualities, in order for the Board to be able to discharge its duties and responsibilities effectively, in addition to having a diverse senior leadership and executive management succession pipeline. The Group sees diversity at Board level as an important element in delivering on the Bank's strategic objectives.

The Board also recognises how diversity of thought serves as a catalyst for richer discussions, enhanced collective decision-making, fostering talent and building trust among colleagues, customers and shareholders. A diverse Board includes and makes good use of differences in the knowledge, experience and skills (in particular those identified as relevant to the business and culture of PTSB) as set out in the Board Suitability Matrix (desired mix of knowledge, experience and skills), including regional and industry experience, education and professional experience, together with other diversity aspects of Directors. These differences are considered in determining the optimum composition of the Board, and where possible, balanced appropriately.

In November 2024, the Board Diversity Policy was reviewed and updated to reflect a broader range of relevant skills, knowledge and experience required for the Board in line with the Board Suitability Matrix and reflects the following target and guidance principles for 2025:

Area of Diversity	Rationale	Guidance or Target	
Knowledge Experience and Skills	The Board aims to engage a broad set of qualities and competencies when recruiting Board members to achieve a variety of views and experiences and to facilitate independent opinions and sound decision-making within the Board.	**Target:** A majority of Non-Executive Directors, the Board Chairperson together with the Chairpersons of the Audit and Risk and Compliance Committee should have core relevant banking and/or financial services knowledge and experience (obtained working for a financial institution or through the provision of services to a financial institution).	
Board Suitability Matrix	The Board regularly reviews the knowledge, experience and skills of the Board to ensure they are aligned with the current, emerging and future needs of the Bank. Note: Knowledge examines achievement in education, training and practice. Experience looks at the practical and professional experience gained. Skills focus on personal attributes, how the person is capable of behaving and acting.	**Knowledge and Experience:** • Retail Personal and/or Business Banking • Culture and Ethics • ESG/Sustainability/Climate • Customer Advocacy/Experience • Accounting/Auditing and Model Governance • Risk Management • Governance and Oversight • Technology (including Cyber/ Resilience/Artificial Intelligence/ Digital Evolution/Fintech) • Organisational Change • Strategy Development/Execution • Legal and Regulatory (Ireland and EU) • Capital Markets/Treasury/Investor Relations • Data and Analytics • Workforce capability and strategy • ALM/CTF	**Skills:** • Authenticity • Decisiveness • Communication • Judgement • Customer and Quality Orientated • Leadership • Loyalty • External Awareness • Persuasive • Teamwork • Sense of Responsibility • Integrity • Independence of Mind • Innovative • Neurodiversity

Area of Diversity	Rationale	Guidance or Target
Gender	The Board understands that gender is an essential component of Board diversity facilitating a more independent mindset at Board bringing together richer more informed debate and challenge. Cognisant of its role model ambitions for the rest of the Bank, the Board ensures that gender diversity is extended to Senior Board positions within the Bank.	**Target 1:** The Board will be gender balanced (50% between Directors identifying as male or as female). Where the Board has an uneven number of Directors, a rounding down of the majority gender is deemed to have achieved balance. **Target 2:** At least one of the Chairperson, Chief Executive Officer, Senior Independent Director or Chief Financial Officer positions will be held by a female (including those self-identifying as a female).
Geographic Location	The Board should be comprised of directors who understand the social, economic, business and cultural environment in which the Group 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.	**Target:** Between 20% - 30% of the Non-Executive Directors should be in a position to draw on current or recent knowledge and experience obtained from having lived or worked outside of Ireland.
Age and Ethnicity	The Board recognises that in addition to tenure of knowledge and experience, value should also be placed on the timing of when knowledge and experience is acquired. This is ever more relevant where rapidly evolving developments in technology, innovation and customer behaviour will play an ever-greater role in delivering the Group's Ambition. The Board also recognises the importance that diversity on the Board brings particularly given the diverse age and ethnic profile of the Group's customer and colleague base.	**Guidance:** For each Director appointment, the Board will consider age, ethnicity and other demographics of the Group's customer and colleague base together with relevant Board composition benchmarking data to inform the design of any role profiles. In doing so, the Board will have regard to the requirements under the UK Listing Rules and the Parker Review in respect of non-white ethnic minority representation on the Board. Consideration will also include latest Irish census data on non-white ethnic minorities.

Objective of Board Diversity Policy

The Board is mindful of its commitment to having a diverse and inclusive Board and recognises the importance of age, ethnicity and other demographics of the Group's customer and colleague base which inform the design of the role profile for each Director appointment, in addition to gender, relevant knowledge, experience and skills. The Nomination, Culture and Ethics Committee discuss and agree annually all measurable objectives for achieving diversity on the Board and recommends them to the Board for adoption. When setting diversity objectives, the Nomination, Culture and Ethics Committee considers relevant Board diversity benchmarking data published by competent authorities including the Central Bank of Ireland and the European Banking Authority, national census data and other relevant international bodies and organisations. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

How the Board Diversity Policy was implemented during 2024

All Board appointments are made on merit and objective criteria, in the context of the relevant knowledge, experience and skills that the Board as a whole requires to be effective and having regard to the Diversity Policy. The balance and mix of appropriate and relevant knowledge, experience and skills of Non-Executive Directors are taken into account when considering a proposed appointment and is reviewed at least annually by the Board.

The Board Nomination Culture and Ethics Committee carries out a review of Board performance annually. A part of that review considers the succession planning, composition and diversity needs of the Board. In 2024, the Committee carried out a detailed analysis of Board and Committee composition, Board Independence levels, Board diversity analysis, review of the Board Suitability Matrix and potential retirements over the following two-year period in light of planned departures from the Board in 2024 and 2025. This comprehensive assessment allows the Board to recognise strengths and address weaknesses, plan for relevant knowledge, experience, skills and other diversity needs of the enlarged Group for the future in line with its strategic priorities and evolving risk profile, in addition to developing a diverse pipeline and effective succession planning for departures from the Board.

The behaviours likely to be demonstrated by potential Non-Executive Directors are also considered when interviewing for new appointments to ensure an environment in which a range of perspective, insight and challenge which enhances collective decision-making and reflects positive conduct and culture of the Board is expected, achieved and maintained in the Boardroom and beyond. In reviewing Board composition, the Nomination, Culture and Ethics Committee considers the benefits of diversity, including gender and other characteristics, and looks to ensure there is appropriate representation from other industry sectors. In addition to core financial services knowledge and experience, the Board also can draw from expertise in technology, change and risk management, customer advocacy, aviation, healthcare, ESG/sustainability and climate risk, capital markets, workforce planning and remuneration, communications and charities sector strategy development and governance.

The Board considers the skills, experience and expertise, including education and professional background, in areas relevant to the operation of the Board. All candidates for appointment need to demonstrate the financial literacy required for a proper understanding of the Group's activities and associated risks. The Nomination, Culture and Ethics Committee seeks to ensure a proportion of the Board has a deep understanding of financial products and has established guidelines to ensure Board candidates are selected on merit and objective criteria, based on their relevant skills, competencies, qualifications and ability to commit sufficient time to the role, and in line with the Board Diversity Policy.

2024 Board Diversity Progress

At 31 December 2024 the Board female/male stood at 60:40 (67:33 for Non-Executive Directors) against a gender diversity target of 50:50. This exceeds the UK Listing Rules target to have at least 40% female representation on the Board.

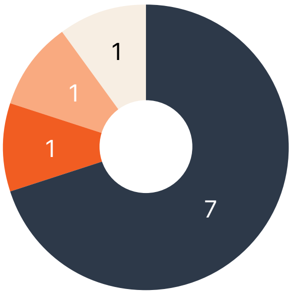
The Board has also met its diversity target of having at least one senior Board position held by a female, being the Chairperson position, throughout the full year which is also in line with the role model ambitions of the Board in increasing diversity and inclusion across the rest of the Group. The Board continues to review and monitor progress on diversity of the Executive Committee, the Senior Leadership team and throughout the wider Group as part of its commitment to improve gender diversity and other wider diversity aspects of the workforce.

The Board broadly achieved gender balance with regard to its Committee composition and has regard to wider diversity aspects among the members of the Board Committees.

The Board has not set a target for having at least one member of the Board from a non-white ethnic minority background in its Diversity Policy as required under the UK Listing Rules as the Board recognises the challenges in setting diversity targets that it may not be in a position to achieve in the medium term. The Board will keep this position under review having regard to ensuring the Board has the appropriate balance of relevant knowledge, experience and skills to deliver the Group's strategic objectives, and having regard to the latest benchmarking data on non-white ethnic minorities in Ireland being the geographical provenance of the Group's customer and colleague base. Furthermore, when considering Board appointments, the Board will have regard to the requirements under the UK Listing Rules, and the Parker Review in respect of non-white ethnic minority representation on the Board. The Group is committed to having a diverse Board, to achieving the targets and guidance set out in its Diversity Policy and to ensuring an open and fair recruitment and selection process that reflects relevant metrics of diversity for each Director appointment in the best interests of the Group and its stakeholders.

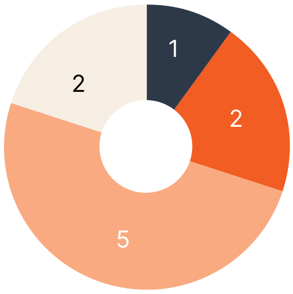
The Board exceeded its objective of requiring a majority of Non-Executive Directors, the Board Chairperson together with the Chairpersons of the Audit and Risk and Compliance Committees to have relevant banking and/or financial experience and is satisfied that all Directors have attained the required financial literacy threshold. The Board diversity ratio of Non-Executive Directors with experience gained from living or working outside of Ireland to bring an external perspective and insights from other jurisdictions and cultures stood at 25% in line with its target range of between 20-30%. The other diversity aspects including age, nationality and independence are displayed in line with the guidance for Board appointments as set out in the Board Diversity Policy.

Nationality



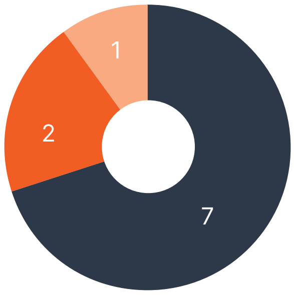
- Irish
- British
- German
- US

Age Profile



- 40-49
- 50-59
- 60-69
- 70+

Independence



- Independent Non-Executive Directors
- Non-Executive Directors
- Executive Directors

2024 Board Diversity Measures

This section outlines the key diversity and inclusion metrics for Board and Executive Management at 31 December 2024, being the chosen reference date within the accounting period as required by the UK Listing Rules LR14.3.30-14.3.33. This section also includes detail of tenure, age, skills and experience. All information on the Board and Executive Management^ gender identity and ethnic background was manually gathered. The Chief Financial Officer and Executive Director (Nicola O'Brien) resigned from the Board on 29 August 2024 and therefore is not included within the diversity metrics at the chosen date.

Gender Identity

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	% of executive management
Men	4	40%	2	8	80%
Women	6	60%	1	2	20%
Other categories	-	-	-	-	-
Not specified/prefer not to say	-	-	-	-	-

Note: Executive Directors are counted in both Board and Executive Management disclosures. Company Secretary included in Executive Management disclosure.
^ Executive Management refers to the Group Executive Committee.

Ethnic Background

	Number of board members	% of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British/Irish or other White (including minority-white groups)	10	100%	3	10	100%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British/Irish	-	-	-	-	-
Black/African/Caribbean/Black British/Irish	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/ prefer not to say	-	-	-	-	-

Note: Executive Directors are counted in both Board and Executive Management disclosures. Company Secretary included in Executive Management disclosure.

2025 Board Diversity Priorities

Area of Diversity	Board Objective	2025 Board Action
Gender	The Board remains committed to maintaining gender diversity on the Board.	• Board Gender Diversity Target maintained at least 50% female; and, • Encourage initiatives that promote broader inclusive gender diversity across the Group, in line with the Organisational Culture, Diversity, Inclusion and Equal Opportunity Programmes.
Alignment to customer and colleague base	The Board acknowledges the Group has a diverse customer and colleague base and should take account of same in considering the diversity requirements of the Board.	• The Board Diversity Policy recognises the importance of ensuring the Board has a clear line of sight on the diverse makeup of the Group's colleague and customer base when considering appointments to the Board; • Customer diversity metrics such as age, ethnicity and gender will influence how the Board thinks about its own construct; and, • Receive reports on actions taken by the Bank to foster a more inclusive, equitable and diverse organisation including colleague surveys and customer experiences.
Board Diversity Policy	The Board recognises there are many aspects of diversity such as age, social and ethnic backgrounds, gender, cognitive and personal strength, skills and experience, and the importance of ensuring wider diversity is considered for Board appointments.	• Consider the aspects of diversity relevant to the operation of the Group, such as gender, age, cognitive, social/ethnic background, personal strengths, education and professional background; • Ongoing review of the Board Diversity Policy to ensure all relevant aspects of diversity are included in the Policy; • Ongoing review the Board Suitability Matrix to ensure that the diverse range of relevant knowledge, skills and experience required by the Group is represented at Board level; and • Encourage initiatives that promote broader inclusive gender diversity at Board level, in addition to ensuring a diverse Senior Leadership and Executive Management succession pipeline.
Board Recruitment and Selection and Suitability	The Board remains committed to having a diverse range of relevant knowledge, experience and skills, including education and professional background, in areas relevant to the operation of the Board, while ensuring that the recruitment and selection process for members of the Board is an open and fair process.	• Maintain a majority of Non-Executive Directors, including the Board Chairperson, together with the Chairpersons of the Audit and Risk Committees, to have banking and/or financial experience and this will also be taken into account when recommending appointments; • Between 20% - 30% of the Non-Executive Directors should be in a position to draw on current or recent knowledge and experience obtained from having lived or worked outside of Ireland given the Bank's strategic priorities and evolving risk profile; • Retain the requirement that all candidates for appointment need to demonstrate the financial competency required for a proper understanding of the Group's activities and associated risks; • Ensure that a proportion of the Board has a deep understanding of financial products; • Review Board recruitment and selection procedures, to ensure Board candidates are selected on merit and objective criteria, based on their relevant knowledge, experience and skills, and have the ability to commit sufficient time to the role, with due regard to relevant aspects of diversity; and • Undertake an assessment of individual and collective suitability, taking into account relevant aspects of diversity to determine the continued individual and collective suitability of members of the Board.
Board Succession Planning	The Board is responsible for overseeing succession plans for the Board and Senior Executives.	• Review Succession Plans of the Board and Senior Executives ensuring they are sufficiently robust; that talent management and development plans remain in place with live talent maps to ensure a diverse pipeline of successors at Senior Leadership team level; • Ensure the Group pipeline of successors takes account of the Group's diversity and inclusion measures and ambitions; and, • Ensure the results of the Board Performance Review inform the Board appointment and succession planning process, and that it continues to reflect the requisite time for the selection, recruitment and appointment process. • Where the requisite skills and expertise are not available on the Board, ensure that it has access to such expertise and skills.

The Audit Committee ensures that the financial and internal control policies, practices and decisions of the Group are carried out appropriately and are properly aligned to strategy and the interests of its Shareholders.

Dear Reader,

I am pleased to present my report as Chairperson of the Board Audit Committee (the 'Committee' or 'BAC'). The Committee, as defined in its Terms of Reference primarily ensures the proper implementation of the Group's financial and internal control policies, practices and decisions. It aims to align these with Group strategies and shareholder interests, while operating within applicable regulatory and legal requirements.

As this marks my final report as Chairperson before I retire from the Board on the 30 July 2025, I want to express my gratitude to my fellow Committee members, the executive team, and all stakeholders for their collaboration and support during my tenure. The process for appointing my successor is at an advanced stage and I am confident the transition will ensure continued effective oversight of the Committee's responsibilities.

2024 saw KPMG's second audit as the Group's External Auditors. I am pleased with the thoroughness and challenge they brought to the audit process, which reflects their commitment to providing a fresh perspective on the Group's control environment. Their detailed reviews continue to enhance the integrity of the Group's financial reporting.

During the year, Nicola O'Brien stepped down as Chief Financial Officer. Nicola played an important role in supporting the Bank on its journey to grow and diversify its business and I would like to acknowledge the commitment shown to the Bank throughout her tenure. I am also delighted to welcome Barry D'Arcy as her successor. Barry D'Arcy is an experienced finance leader and Board Executive Director. Looking ahead, ensuring that both the Finance Function and Group Internal Audit ('GIA') continue to have the necessary skills and resources, remains a key priority for 2025. The Committee will continue to work closely with management to support recruitment, development, and capacity building within these critical functions.

The Committee has been actively engaged in preparing the Group's first disclosure under CSR Regulations. This has included reviewing data readiness and aligning processes to ensure compliance with this important new disclosure requirement.

The design and implementation of the Internal Audit Plan are critical to the Committee's oversight. A notable development in 2024 was the introduction of rapid review audits, which provided timely insights into issues of material importance to the Committee. Additionally, there has been a marked increase in First-Line attendance at BAC meetings to discuss audit findings, reflecting a deeper engagement with the Committee's work.

The Committee maintained a strong focus on the effectiveness of the Bank's control environment, with significant progress made on evolving a 'Three Lines of Defence' combined assurance process. This effort has included close review of the Bank's internal audit opinion, (provided by the Head of Group Internal Audit), and an ongoing assessment of key performance measures tracking the status of the Bank's control environment. Linked to this point, the Committee closely monitored all key controls over financial reporting to ensure the Bank's published accounts provide a true and fair view on the financial position of the Group.

During 2024, I have also supported enhanced collaboration with the Board Risk and Compliance Committee ('BRCC') to align on key priorities and to ensure each Committee's time is utilised to maximum effect while aligned to its own legal and regulatory obligations.

In 2024, the Committee conducted a comprehensive review of the Group's compliance with the provisions of the UK Corporate Governance Code. This review reaffirmed the Bank's commitment to maintaining the highest standards of governance and accountability.

As the Committee looks to the future, a key area of focus will be working closely with the BRCC on the Group's capital model programme. Ensuring these models are robust, compliant, and aligned with regulatory expectations will be critical to supporting the Group's growth and resilience.

In closing, I want to reiterate my thanks to the BAC members, management, and staff for their hard work and dedication. I am confident the Committee's continued focus on governance, assurance, and oversight will position the Bank for ongoing success.

Ronan O'Neill
Chairperson, Board Audit Committee

Composition and Operation

The Board Audit Committee ('BAC') comprises five Independent Non-Executive Directors, each bringing significant expertise and experience to their role. Detailed biographical information for each member is provided on pages 79 to 83 of this report. Neither the Board Chairperson nor the CEO is a member of the BAC, ensuring the Committee's independence and objectivity.

To enhance the Committee's effectiveness, the Board mandates that the Chairperson of the BAC must possess recent and relevant financial experience, ensuring robust oversight of the Group's financial reporting and internal controls. The Chairperson is responsible for providing strong leadership to the Committee, setting meeting agendas, facilitating open and productive discussions, and ensuring the Committee operates efficiently and in alignment with its Terms of Reference. Collectively, the members of the BAC bring a diverse and complementary range of skills, including financial expertise, risk management, corporate governance, and industry-specific knowledge, all of which contribute to the effectiveness of the Committee and the overall governance of the Group.

The BAC meets at least six times a year with additional meetings convened as necessary. Each scheduled meeting begins with a private session attended exclusively by Committee members, fostering candid discussions and an opportunity to review key matters on the agenda. Following this, the head of GIA is invited to join the meeting, allowing the Committee to engage directly on the scope, findings, and progress of internal audit activities while ensuring independence from senior management. Senior management, External Auditors, and other invitees participate only by invitation. This structured approach safeguards the independence and integrity of the BAC's deliberations and decisions.

To promote cross-committee collaboration and alignment, the Board requires that at least one member of the BAC also serves on the Board Risk and Compliance Committee. This ensures a seamless flow of information between the Committees, enhancing the organization's overall risk management and governance framework. Richard Gildea, Catherine Moroney and Anne Bradley are members of both Committees.

2024 Committee Meeting Attendance

Member	Appointed	Ceased	Number of Years on the Committee	2024 Meeting Attendance
Ronan O'Neill*	02 Nov 2021	-	3.2	9/9
Donal Courtney	03 Oct 2018	1 Oct 2024	6.0	5/6
Anne Bradley	30 Mar 2021	-	3.8	9/9
Ruth Wandhöfer	31 Dec 2023	-	1.0	8/9
Catherine Moroney	12 Dec 2023	-	1.1	8/9
Richard Gildea	1 Oct 2024		0.3	2/2

* Chairperson

Role and Responsibilities

The BAC monitors the effectiveness and adequacy of internal control, internal audit and IT systems and reviews the effectiveness of risk management procedures, in addition to reviewing the integrity of the Company's internal financial controls. The BAC monitors and reviews the effectiveness of the Group's Internal Audit ('GIA') function and also considers the External Auditor's independence and objectivity and the effectiveness of the audit process. The BAC also reviews discoveries of fraud and violations of laws and regulations as raised by the head of GIA.

The BAC monitors the integrity of the Financial Statements of the Company, reviewing significant financial reporting judgements contained therein, to ensure that they give a 'true and fair' view of the financial status of the Group and to recommend to the Board whether to approve the Annual and Interim Reports and also to recommend to the Board that it believes that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the necessary information for shareholders to assess the Group's position, performance, business model and strategy.

In considering whether the Annual Report is fair, balanced and understandable, the Committee reviewed the Annual Report and considered whether the Financial Statements were consistent with the financial review elsewhere herein. The Committee also reviewed governance and approval processes in place within the Group as they were relevant to the Financial Statements. These included the completion by Management of disclosure checklists to ensure all required disclosures required by applicable company law, listing requirements and accounting standards are included in the draft Annual Report which was reviewed by various Executives and Management of the Group.

The Committee also had regard to the significant judgements relating to the Financial Statements that are set out in this report. Each of these significant issues were addressed in papers received by the Committee from Management and in the report received by the Committee from the External Auditors and were discussed in the Committee's meeting with the External Auditors.

The BAC also had regard to the assessment of internal control over financial reporting, details of which are outlined in the Risk Management and Internal Control section of the Corporate Governance Statement.

Matters considered by the Committee in 2024

During 2024, the Committee spent a significant amount of time considering those issues set out in the Significant Financial Reporting Judgments and Disclosures and recommending for approval to the Board, the Annual Report and Interim Report.

During 2024, the Committee also:

- Reviewed GIA activity throughout the year, including a review of performance against the 2024 internal audit plan;
- Prepared for and considered disclosures under CSR Regulations;

- Reviewed the Group's Pillar 3 policy and associated disclosures;
- Approved the GIA Charter, resourcing model and considered the effectiveness of the function;
- Reviewed External Auditor independence and effectiveness;
- Approved the TCFD Report included in the 2024 Annual Report;
- Reviewed the continued recognition of a Deferred Tax Asset ('DTA') on tax losses carried forward;
- Approved changes in accordance with International Financial Reporting Standards ('IFRS') and International Accounting Standards ('IAS');
- Reviewed impairment provisions;
- Reviewed control environment reports;
- Reviewed Technology updates with focus on IT incidents impacting customers;
- Reviewed the effectiveness of internal control over financial reporting;
- Approved the Internal Audit Plan for 2025;
- Reviewed the governance and approval arrangements underlying the fair, balanced and understandable assessment of the Annual Report;
- Assessed the Longer Term Viability and Going Concern Statements;
- Reviewed the disclosures on compliance with the UK Corporate Governance Code;
- Reviewed and approved changes to the Committee's Terms of Reference with updates to align with the UK Corporate Governance Code 2024, a new Irish Corporate Governance Code, (effective from 1 January 2025 and against which the Group will comply or explain), and against the Chartered Institute of Internal Auditors- Internal Audit Code of Practice;
- Reviewed non-impairment provisions including legacy, legal and compliance liabilities; and
- Reviewed the basis, background and level of Non-Audit fees paid to KPMG.

Financial Reporting and Significant Financial Judgments and Disclosures

During the year, the BAC reviewed the External Auditors' findings, and the following significant financial judgments made, the related disclosures for the 2024 Financial Statements as set out on the current and the following page.

Expected Credit Loss Provisions
The Committee considered the Group's methodology including assumptions and parameters for generating the Group's allowance for Expected Credit Loss ('ECL') for its portfolios. The Committee discussed with Management in detail any changes and revisions made to the Group's IFRS 9 ECL models, macro-economic scenarios, significant increase in credit risk, and Management judgement.

Multiple scenarios
The Committee reviewed and approved the macro-economic scenarios for use in IFRS 9 ECL estimation, which included the central scenario used for financial planning purposes, a more favourable scenario, and an adverse scenario.

Expert credit judgements
At 31 December 2024, the impairment provisions included €136m of Management's judgement in impairment model parameters (€44m) and overlay adjustments to modelled ECL outcomes (€92m), see note 2 for further information. A key focus of the Committee during the year was an assessment of the level and rationale for such adjustments.

The Committee concluded that a robust governance framework existed to monitor provisioning adequacy and that the assumptions and judgements applied by Management were appropriate. The Committee was satisfied that the provision and related disclosures in the financial statements were appropriate.

Recognition and Recoverability of Deferred Tax Assets
The Committee considered the extent of DTAs recognised by the Group in respect of unutilised tax losses, and in particular, the future profits of PTSB against which losses may be utilised in future years. The Committee noted that the Group's performance and strategic outlook had improved, as outlined in more detail under "Going Concern" and "Longer Term Viability" below.

Accordingly, in line with the requirements of IAS 12 "Income Taxes", Management have formed the view that the carried forward tax losses within PTSB could be utilised against future profits which will be generated by PTSB. This requires significant judgments to be made about the projection of long-term profitability because of the period over which recovery extends.

Having considered the above, the Committee agreed with Management's assessment that it was probable that the level of DTAs recognised in the Financial Statements at 31 December 2024 would be recovered. The Committee noted that IFRS does not allow for the DTA recognised to be discounted notwithstanding that it will likely take a significant number of years to be fully recovered.

Impairment review of the Group's subsidiary undertaking
The Company carries its investment in its subsidiary undertaking at cost less impairment and reviews whether there is any indication of impairment at each reporting date. Impairment testing involves comparing the carrying value of the investment to its recoverable amount. The recoverable amount is the higher of the investment's fair value or its value in use ('VIU'). An impairment charge arises if the carrying value exceeds the recoverable amount.

Management provided the Committee with a paper that detailed the recoverable amount of the investment. The Committee reviewed the paper and calculations and approved an impairment charge for the year of €263m due to the recoverable amount based on the Value in Use calculation being in excess of the carrying value.

IT Access
Certain matters relating to IT access controls were communicated to the Committee through the external audit process. The Committee reviewed these matters and was satisfied sufficient mitigating controls were in place from a financial reporting perspective.

Going Concern

Note 1 of the financial statements includes details of the going concern of the Group and Company, which outlines the Directors' view that the Group will continue as a going concern for a period of 12 months following the signing of this report.

In making the judgement, the Committee was provided with detailed papers containing Management's considerations of the risks and uncertainties as they may pertain to going concern. The Committee reviewed these judgements and agree with Management's view that the Group continues on a going concern basis and that there are no material uncertainties.

Longer Term Viability

In accordance with the requirements of the UK Corporate Governance Code, the Directors are required to issue a viability statement of the prospects of the Groups taking in account Group's current and projected financial position taking in account the principal risks facing the Group.

The period over which we consider longer-term viability

The Directors have assessed the viability of the Group over the three-year term which falls within the time horizons considered for the Group's strategic planning and the regulatory stress testing frameworks employed by the Group. The Directors are satisfied that this is an appropriate period of assessment.

Assessing the governance and prospects of the Company and Group

In making this assessment, the Directors have assessed the key factors that are likely to affect the Group's business model and medium term plan which have been stress tested and sensitised for a downside scenario to reflect the challenges that the Group is facing, primarily on the Group's capital, solvency and liquidity position while taking into account other principal and emerging risks.

The Board has reviewed the Medium Term Plan ('MTP') and the outputs from stress testing of capital and liquidity positions both pre and post management actions. The Directors have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The stress testing is designed to explore the resilience of the Group to the potential impact of principal risks set out in the Annual Report, including in particular funding and liquidity, capital adequacy, the economic environment, regulatory risks and or a combination of these risks. A description of the Group and Company's principal risks together with the approach to risk identification and control are set out in the Risk Management section.

The Medium Term Plan is reviewed annually and with increased frequency when necessitated by significant changes in the external environment and is approved by the Board each year.

The Medium Term Plan closely aligns to Group's Risk Appetite Statement and Risk Management Framework and details the Group's future profitability, cash flow projections, capital requirements and the Group's key performance measures. Management's performance against the medium term plan is reviewed on an ongoing basis by the Board.

The Group made a profit for the 2024 financial year. While the Group remains strongly capitalised and has significant liquidity at the year-end, the future projections in the medium term plan which, were sensitised for a downside scenario, indicate no breaches in either regulatory capital or liquidity positions in the viability period of assessment to December 2027 after management intervention.

The assumptions underpinning the stress testing to determine the resilience of the Group's balance sheet, profitability and robustness of the business model were significantly conservative.

There are certain key assumptions that are critical to the viability of the Group and these are outlined below:

Funding & Liquidity

The Group continued to have sufficient liquidity throughout 2024, and its liquidity position remains strong at 31 December 2024 with the Group holding a significant liquidity buffer. The Group has no reliance on ECB funding and is 92% deposit funded with plans to diversify its funding profile over the horizon of the next three years.

A key assumption in determining the longer-term viability is that the Group will continue to be able to access the required liquidity and funding across all channels during the period of assessment.

The Group continues to undertake a number of initiatives to improve its liquidity position in the areas of deposits, collateral optimisation, and wholesale markets activity.

The Directors and Management are aware that the Group's ability to monetise its contingent counterbalancing capacity is dependent on the underlying collateral remaining eligible.

Our funding plans assume, based on our interaction with wholesale markets and deposit trends, that the required liquidity and funding will be available to the Group over the medium term.

Capital Adequacy

The Group made a profit for the year ended 31 December 2024. Directors and Management have reviewed the MTP and based on this, the Directors and Management are satisfied that the Group is well positioned to continue to deliver profits in future years.

Directors and Management have considered the forecast sufficiency of this capital base, and its ability to withstand additional stress scenarios such as the economic environment in Ireland deteriorating. The Group is confident that all regulatory requirements will be met over the period to 2027.

Reasonable Expectation of longer-term viability

Based upon the above assessment, the Directors have a reasonable expectation that the Group and Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment to 31 December 2027.

Provisions for Liabilities

The Committee considered the provisions made in the Financial Statements in order to assess the appropriateness of the underlying liabilities.

Management presented a paper outlining the requirements of IAS 37 and the basis of the provisions proposed. The Committee is satisfied that the provisions represent the best estimate of the potential liabilities at 31 December 2024.

Corporate Sustainability Reporting (CSRD)

The CSRD was transposed into Irish law and came into effect on 1 January 2024 for Irish companies with the aim of improving the existing requirements of the European Union's ('EU') Non-Financial Reporting Directive, to better harness the potential of the EU in the transition to a fully sustainable and inclusive economic and financial system, in accordance with the European Green Deal and the United Nations' Sustainable Development Goals.

Following a significant programme of work, the Bank is pleased to publish its inaugural CSRD disclosure within this

Annual Report. It can be found in the Sustainability Statements beginning on page 140.

The Bank's External Auditor was engaged to provide limited assurance of the CSRD disclosure in line with the recommendations set out within the Directive. Their assurance opinion can be found on page 137.

Throughout the year, updates on the progress of the CSRD were brought to the BAC, with the Committee being responsible for ensuring an integrated approach to disclosure preparation and delivery, providing a link between the Board and the External Auditors providing the assurance, and ultimately, signing off the disclosure.

Relationship with External Auditors

The Group's External Auditors are KPMG who were appointed by shareholders in 2023. The BAC provides a link between the Board and the External Auditors, independent of the Company's Management. The External Auditors regularly attend BAC meetings and the Committee meets with the External Auditor at least once a year without Management present to discuss their remit and any issues arising from the audit.

The BAC reviewed the external audit plan prior to the commencement of the 2024 audit. The BAC met with the External Auditor to review the findings from the audit of the Group financial statements. The BAC has an approved policy on the provision on non-audit services by the External Auditor. The policy seeks to ensure that processes are in place to make sure that the independence and objectivity of the external audit process is not compromised. This includes monitoring the nature and extent of the services provided by the External Auditor through its quarterly review of fees paid to the External Auditor for audit and non-audit work, seeking confirmation from the external auditor that they are in compliance with relevant ethical and professional guidance and that, in their professional judgment, they are independent of the Group.

The BAC reviews all fee arrangements with the External Auditor. Fees paid in respect of audit, other assurance services, tax advisory services and non-audit services are outlined in note 8 to the financial statements.

Other assurance services are services carried out by the auditors by virtue of their role as auditors and include assurance related work, reporting to the regulator and other assurance services. In line with best practice, the auditors do not provide services such as system design and valuation work which could be considered inconsistent with the audit role.

The amount of fees payable to External Auditors for their audit services for the year 2024 was €2.0m (excluding VAT) payable to KPMG Ireland. €0.8m (excluding VAT) was paid in respect of non-audit services, which relate to various assurance works. The Company's External Auditor generally performs these services.

The External Auditor is required to rotate audit partner every five years. The current audit partner is Frank Gannon who was appointed in 2023. The Committee also reviews the effectiveness, independence, and objectivity of the External Auditor. The Committee also considered a paper by Management regarding auditor's efficiency and effectiveness.

The BAC reviews the effectiveness of the External Auditor through discussion and assessment of its performance. The BAC has concluded that it was satisfied with the External Auditor's performance.

Review of Group Internal Audit

As set out in the Risk Management Section a 'Three Lines of Defence' model has been adopted by the Group for the effective oversight and management of risks across the Group, with Group Internal Audit ('GIA') being the Third Line of Defence. GIA's purpose is to strengthen the organisation's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective reasonable assurance, advice, insight, and foresight.

The Head of Internal Audit has a direct reporting line to the Chairperson of the BAC and the BAC meets with the Head of Internal Audit on a regular basis without the presence of Management. The BAC receives regular reports from GIA, which include summaries of the key findings of each audit in the period. The BAC ensures co-ordination between GIA and the External Auditor.

GIA's mandate allows for full and unrestricted access to all functions, records, and personnel. The GIA authority, roles, and responsibilities are set out in the GIA Charter which is approved by the BAC annually. The primary role of GIA is to develop an annual risk-based audit plan that assesses independently, the effectiveness and efficiency of internal controls, risk management and governance systems and processes and provides assurance on these systems and processes, including the reporting of overall findings and any areas of concern resulting from such assurance activities.

GIA provide the BAC with an annual resourcing assessment. The 2024 resourcing assessment included a review of the current GIA resource model and skills, with an emphasis on ensuring adequate resources and skills are in place to provide assurance in relation to the current and emerging risk profile of the Group. The BAC is satisfied that the quality, experience, and expertise of the function is appropriate to the needs of the Group.

In line with the Global Internal Audit Standards, the Head of GIA is required to develop and maintain a quality assurance and improvement programme that covers all aspects of internal audit activity. An internal quality assessment must be completed on an annual basis, with an independent external assessment undertaken every five years to evaluate the Internal Audit Function's conformance with Global Internal Audit Standards. The results of the latest internal quality assessment, completed by the Chartered Institute of Internal Auditors ('CIIA'), with an overall rating of 'Generally Conforms' was presented to the BAC in Q1 2024. The last external quality assessment was completed by the CIIA in 2021 and was rated as 'Generally Conforms' against the CIIA Standards. The Audit Committee was satisfied that during 2024, GIA demonstrated flexibility and responsiveness to enable the function to focus on current and emerging risks, inclusive of audit requirements driven by both legislation and regulation, auditable processes within the Group and alignment with the Global Internal Audit Standards. Through these measures the Audit Committee has assessed the effectiveness of the internal audit function and is satisfied that the function is appropriate to the needs of the Group.

The Board Nomination, Culture and Ethics Committee evaluate the skills and characteristics required of Board members and to ensure the tone on culture and leadership is set from the top.

Dear Reader,

As Chairperson of the Board Nomination, Culture and Ethics Committee (the "Committee"), I am pleased to present the report of the Committee for the year ended 31 December 2024. This report has been prepared by the Committee and approved by the Board. The report provides further context and insight into the role and responsibilities of the Committee together with a description of the work undertaken during 2024 as set out below.

A key focus area for the Committee is effective refreshment of Board composition to ensure Directors have the collective knowledge experience and skills to oversee delivery of the Group's strategic objectives. Arising from the retirement of Donal Courtney in October 2024 and planned retirement of Ronan O'Neill on 30 July 2025, in 2024 the Committee carried out a collective suitability assessment of the Board with a view to aligning the Board skills with the strategic direction and risk profile of the Group. This assessment demonstrated the need to identify candidates with deep financial and accounting experience who could chair the Board Risk and Compliance Committee following the departure of Donal Courtney and chair the Board Audit Committee with the planned departure of Ronan O'Neill. Following the appointment of Rick Gildea (an existing Board member) as Chairperson of the Board Risk and Compliance Committee in October 2024, a further need was identified to appoint an Independent Non-Executive Director with deep financial and capital markets experience. The selection and recruitment process for each of these board positions is at an advanced stage.

The Committee also oversaw the process to identify and select a successor for Nicola O'Brien, the Group's Chief Financial Officer (CFO) and Board Executive Director who resigned from the Bank in August 2024. I am very pleased that, following a robust selection process involving internal and external candidates, Barry D'Arcy, the Bank's Chief Risk Officer has been appointed CFO and Board Executive Director. I was also very pleased with how the systems put in place under implementation of the Individual Accountability Framework worked well facilitating the timely re-allocation of the Responsibilities for the CFO at the time of her departure. Further details on the selection and recruitment process for the CFO is set out later in this Committee report.

During 2024, a key area focus for the Committee was the refreshment of succession planning arrangements for the Executive Committee (ExCo) and Senior Leadership team. This included a comprehensive review of the arrangements for the Chief Executive Officer (CEO), CFO and other Executive Committee roles which included live talent maps, stress testing of potential internal candidates and aligning training and development plans accordingly. The Committee was assured by the robustness of the process following the resignation of the CFO in August 2024 when the succession planning arrangements were invoked which led to a more efficient recruitment and selection process to fill the vacancy. Further detail on these succession planning arrangements implemented during the year are set out in this report.

The Committee also undertook a review of business-critical roles which are particularly required to maintain resilience in certain areas of the Bank and to safeguard delivery of strategic priorities. The Committee oversaw the development and implementation of succession plans for all business-critical roles together with the integration of succession planning into Strategic Workforce Planning to incrementally grow talent within the organisation and ensure robustness of mitigation plans in place for unplanned vacancies.

A key programme for the Bank during 2024 and continuing into 2025 is the Central Bank (Individual Accountability Framework) Act 2023 (IAF) which the Group has seen as a positive development in supporting the building of trust with customers and colleagues through enhanced governance, performance and accountability and which reflects the culture, purpose and values of the Group. The Committee oversaw the implementation of the IAF through an extensive programme of work to embed new Conduct Standards requirements from the end of 2023, enhancements to the Fitness and Probity regime, extensive mapping of roles and responsibilities to implement the Senior Executive Accountability Regime (SEAR) requirements by 1 July 2024 and embedding the IAF Target Operating Model into business-as usual across the Bank. Further work to prepare for the implementation of SEAR for the Non-Executive Directors by 1 July 2025 is underway.

The Committee oversaw the enhancements to individual and collective Board induction, training and development plans which were refreshed to reflect a more holistic approach to the required skills on the Board with a focus on enhanced effectiveness to adapt to the evolving nature and pace of change in the Group's operating environment. Enhancements to handover arrangements in line with the IAF reflected positively on incoming role holders and the Committee received regular updates throughout the year on the implementation of such plans which provided assurance as to the robustness of the arrangements and transition of roles on the Board, in particular new Board Committee Chair appointees.

The Committee recognises the importance of looking after the Bank's customers at all stages of their journey with PTSB and oversaw the introduction of the Bank's "Decision Yes Checks" as a key element of the Bank's decision-making and approval process; these assessments help in the making of informed decisions, enabling comprehensive consideration of potential customer impact and ensuring fair outcomes for customers and other stakeholders which is a key priority for the Bank. Both approaches support diversity of thought and ultimately enhance decision-making.

The Committee continues to engage in meaningful manner to support the Group's espoused culture. In this regard the Committee considered the results of the 2024 'Every Voice Counts' colleague engagement survey. This survey explored the behaviours and activities across the Bank measuring critical success factors for delivering a strong customer centric risk culture with both qualitative and quantitative results. The Committee also met with colleagues from the People Experience Council (employee representative group on culture evolution and colleague wellbeing) during the year and received updates on actions identified to address feedback from the Every Voice Counts survey and overall measures to enhance the colleague and customer experience. This included enhancements to learning and development, employee value proposition, communication and engagement with colleagues, focus on further reducing the gender pay gap and alignment of gender balance aspirations.

The Committee also considered the output from the 2024 Board Evaluation approach externally facilitated by Korn Ferry further details of which are set out on page 94 of the annual report.

Julie O'Neill
Chairperson, Board Nomination, Culture and Ethics Committee

Composition and Operation
The Committee is composed of a majority of Independent Non-Executive Directors. The Board requires that the Board Chairperson and the Senior Independent Director (SID) are members of the Committee. The Committee holds a member only session at the start of each meeting following which the Committee may invite members of the executive team to join, this may include the Chief Executive Officer, Chief Customer and People Officer and Head of Talent.

2024 Committee Meeting Attendance

Member	Appointed	Ceased	Number of Years on the Committee	2024 Meeting Attendance
Julie O'Neill*	17 Jan 2023	-	2.0	9/9
Ronan O'Neill	26 Jul 2016	-	8.4	9/9
Marian Corcoran	30 Mar 2021	-	3.8	9/9
Celine Fitzgerald	30 Mar 2021	-	3.8	9/9
Paul Doddrell	31 Dec 2023	-	1.0	9/9

* Chairperson from 31 March 2023

Responsibilities of the Committee
The Board Nomination, Culture and Ethics Committee is responsible for bringing recommendations to the Board regarding the appointment of new Directors and of a new Board Chairperson. The Board Chairperson does not attend the Committee when it is dealing with the appointment of a successor to the Board Chairperson. Decisions on Board appointments are taken by the full Board. All Directors are subject to re-appointment by election by the shareholders at the first practical opportunity following appointment. The Committee keeps under review the leadership needs of the Group, both Executive and Non-Executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace. The Committee is also responsible for reviewing the effectiveness of the Board's operations and composition of Board Committees. The Committee also has responsibilities for supporting the Board on oversight on culture, ethics, reputation management and employee engagement.

Succession Planning
The Committee undertakes regular reviews of both Board and Board Committee composition and ensures there is a comprehensive approach to ensuring regular and planned refreshment of Board and Board Committee membership. Arising from such succession planning reviews, the Committee agreed the need to identify replacements for Non-Executive Directors Donal Courtney and Ronan O'Neill for which a recruitment process is at an advanced stage.

The Committee maintained its focus on the Executive Committee (ExCo) and Senior Leadership talent pipeline and succession plans reflecting the Board's responsibility to ensure appropriate plans are in place. The Committee oversaw development of robust talent management and succession plans for ExCo members which included the development of a diverse pipeline of successors at senior leadership team level in line with the talent management, development and succession planning programmes within the Group which reflect the DE&I ambitions. This included talent mapping individuals to identify strengths, development needs (both experiential and formal training programmes) and future potential of identified successors internally together with talent maps for potential external successors identified for certain ExCo and Senior Leadership roles.

Executive Committee Composition
During 2024, the Committee oversaw the assessment of existing leadership capabilities at Executive Committee and SLT level (ExCo minus 1) which resulted in ExCo changes to support the CEO in the delivery of the Group's strategic objectives and to further strengthen the talent management and succession planning pipeline in line with the DE&I

ambitions across this Group. Following this assessment, the need to strengthen the strategic focus in the Group's current customer proposition, channel strategy and sustainability and corporate affairs agenda was identified.

Arising from these assessments, Leontia Fannin was appointed Chief Sustainability and Corporate Affairs Officer on 1 August 2024 reflecting the Group's commitment to sustainability as a key driver of its corporate strategy and the value it places on corporate affairs as a driver of internal and external stakeholder engagement. Ms Fannin brings a wealth of experience in corporate affairs, reputation management, colleague communications, sponsorships, corporate social responsibility and sustainability. Ms Fannin is responsible for building and proactively managing the Bank's Corporate Affairs Strategy alongside responsibility for PTSB's Corporate Social Responsibility and Sustainability strategies.

Patrick Farrell was appointed Chief Retail Banking Officer on 1 August 2024 with responsibility for leading the Bank's retail distribution channels (Branch, Digital, Broker, Mobile Mortgages, Private Banking, Business Banking and Asset Finance) in recognition of the importance of the increased nationwide branch footprint, significant growth and diversification of the business through business banking and asset finance. A member of the Bank's Executive Committee since 2018, Mr Farrell brings over 25 years' experience in the banking industry to this role and is responsible for the commercial performance of the personal and business banking business including sales strategy and service provision to PTSB customers through all channels.

Ger Mitchell was appointed as Chief Customer and People Officer on 1 August 2024 with responsibility for the development and implementation of all aspects of the Bank's Customer and People Strategy, including the Bank's Commercial strategy, Customer Enablement strategy, Product strategy, Marketing, Brand and Sponsorships strategy, as well as the Bank's People and Culture strategies. A member of the Bank's Executive Committee since 2012, Mr Mitchell has successfully led a number of strategic programmes of work for the Bank throughout his time and his experience will be central to the Bank's delivery of its customer focused Altogether More Human brand promise.

Board Composition

A key function of the Committee is succession planning for the Board. There were no appointments to the Board in 2024. Following the retirement of Donal Courtney, the planned retirement of Ronan O'Neill and the resignation of Nicola O'Brien, the Board Nomination Culture and Ethics Committee oversaw the recruitment and selection processes for a total of three new Board appointments as set out below.

Chief Financial Officer

Following the resignation of the CFO in August 2024, the Committee invoked succession planning arrangements and, with the support of recruitment specialists Odgers Berndtson (Odgers) oversaw selection and recruitment process which led to the appointment of Barry D'Arcy as CFO and Executive Board Director on the 25 February 2025. Barry D'Arcy was selected as the preferred candidate following a competitive selection process involving both internal and external candidates. A comprehensive handover, training and development plan for Barry was approved by the Committee who will provide oversight of the implementation thereof. In his new role, Barry is responsible for leading, managing and overseeing all Finance related matters of the Group and growing the Bank's financial planning and analysis function to enhance the commercial and operational value, build a culture of transparency and accountability, and support the CEO in directing the business of Bank and delivering upon its strategic objectives.

Independent Non-Executive Directors

A collective suitability assessment of the Board was undertaken in light of the planned departure of Donal Courtney from the board in October 2024 and Ronan O'Neill in July 2025 leaving vacant the Chairs of Board Risk & Compliance Committee and Board Audit Committee respectively. Assisted by Odgers, the Committee approved role profiles for each of these positions with initial focus on filling the Board Risk and Compliance Committee Chair position. Following a competitive selection process involving both internal and external candidates, Rick Gildea, an existing Board member, was selected as the preferred candidate for the Chair of the Board Risk and Compliance Committee and appointed to the role in October 2024. Mr Gildea's identification as preferred candidate required the Committee to approve a new role profile to fill the Independent-Non-Executive Director position vacated by Mr Courtney. Being mindful of the Bank's business model and strategic priorities, it was agreed the Board could be further strengthened through the addition of a candidate with deep capital markets and investor relations experience. Assisted by Odgers, both internal and external candidates were identified and interviewed for the two remaining Board positions, Audit Committee Chair and Independent-Non-Executive Director.

Arising from the selection process, two preferred candidates have been identified who have fully met the requirements of the respective role profiles and, at the date of publication of this Annual Report are at an advanced stage in the approval and appointment process.

Note: Neither the Company nor any of the Directors have any commercial relationship with Odgers outside of recruitment services that are provided from time to time to fill designated Board and Senior Management positions.

Committee Composition

During 2024 the Committee undertook a review of Committee composition in light of planned changes to the Board and the need to refresh the knowledge and experience of the Board's Committees following the planned departures of Donal Courtney in 2024 and Ronan O'Neill in 2025. The Board will carry out a further review of committee composition upon the appointment of two new Non-Executive Directors.

Induction, Training and Professional Development

The Board recognises the high calibre and the varied level of knowledge, skills and experience of the Board. The Committee reviewed and enhanced the approach to induction, training and professional development of the Board members with a view to aligning the Board skills with the strategic direction and risk profile of the Group thereby enhancing the collective knowledge of the Board. It aims to achieve this by prioritising training topics around the risks and opportunities from emerging themes, tailoring individual training and development plans for

Board members to enhance the core skills identified following the Collective Suitability Assessment by building on the education and professional development opportunities through externally facilitated professional programmes. It will also seek to deepen the Board's knowledge of the business through increased exposure to subject-matter experts both internally and externally through the Board approved training programme. The Committee also oversaw the comprehensive induction, training and development plans for new Board members and Executive Committee appointments, in addition to induction and handover arrangements for transition of Committee chair roles to existing Board members.

Board Performance Evaluations

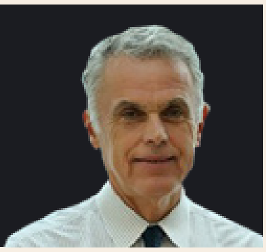
In 2024, led by the Chairperson, the Committee oversaw the annual performance evaluation of the Board, its Committees and individual Directors. Enhancements have been made to the process undertaken for the 2024 annual Board performance evaluation reflecting actions identified to enhance Board and Board Committee effectiveness and the resulting recommendations are set out in page 93 of this report. In accordance with the UK Corporate Governance Code, the 2024 Board review was externally facilitated by Korn Ferry.

Other Matters considered by the Committee in 2024

- Review of the work undertaken throughout the year to implement actions identified to strengthen the foundations, capabilities and build resilience within the enlarged Group following the acquisition of certain parts of the Ulster Bank businesses.
- Review of its own performance and effectiveness, including a review of its Terms of Reference;
- Reviewed the Annual Gender Gap and Gender Pay Gap Research Report;
- Approval of the recruitment process and appointment of a number of Senior Management positions;
- Review and oversight of the evolution of the Group's culture throughout the year together with the approval of the Culture Compendium (Charter);
- Review and approval of Board Policies (Diversity, Conflict of Interest, Assessment and Suitability, Induction, Training and Professional Development, Succession Planning);
- Review and approval of the Group's Fitness and Probity Policy;
- Review of updates to the Group's Speak Freely Procedure, and Protected Disclosure Procedure;
- Review and approval of updates to the Group Colleague and Conduct Policies and Procedures including the Code of Ethics Policy; Colleague Conduct Policy, Conflict of Interest Policy, Colleague Disciplinary Procedures, and IAF Conduct Standards Policy;
- Review of Colleague Conduct related activity within the Group;
- Review of the Board Training and Professional Development Plan together with oversight of the implementation of individual Directors (including Board Committee Chairs) handover/induction, training and professional development plans;
- Consideration of workforce engagement mechanisms under the UK Code;
- Review of Diversity, Equity and Inclusion, Learning and Talent, and Employee Survey updates;
- Reviewed the enhanced Learning & Development Programme and Policy which improved the colleague experience and learning outcomes with strong focus on business skills training;
- Reviewed progress on the Group's Diversity, Equity and Inclusion and Organisation Culture programmes of work including the DEI Strategy for the period 2023-2025 which focused on an enduring model for continuous improvement, aligned to the Irish Centre for Diversity Gold Accreditation which the Bank received in 2023;
- Reviewed and approved gender balance aspirations for the Group;
- Review of Corporate Affairs, Reputation Management and Communication (including Stakeholder Engagement) updates;
- Review of the Corporate Sponsorship programmes (including reflection and analysis); and
- Review and oversight of the implementation of the Bank's 'Decision Yes Checks' to support decision-making in the Bank.

Corporate Governance Statement
Risk and Compliance Committee

The Committee supports the Board in ensuring risks are properly identified, reported, assessed, and controlled, and that the Bank's strategy is consistent with risk appetite.



Dear Reader,

As Chairperson of the Board Risk and Compliance Committee (the "Committee" or "BRCC"), I am pleased to report on the Committee's activities for the year ended 31 December 2024.

While I have been a member of the Committee since December 2023, I was appointed as Chairperson in October 2024. I would like to thank my predecessor, Donal Courtney who retired from the Board in October 2024 for his valuable contribution over the past six years during which time, the Committee played a key role in supporting the Board to manage risk during what was a transformational time for the Bank. I would also like to report on the appointment of Catherine Moroney to the Committee in December 2023 and who, during 2024 brought extensive business banking and commercial credit experience to the Committee. Catherine's knowledge and experience of different SME sectors and her understanding of the potential opportunities and challenges in the market have greatly benefited the Committee in what is a key growth area for the Bank.

A key area of focus for BRCC is the role of the Committee in assisting and providing assurance to the Board on the Bank's appetite for risk (Risk Appetite Statement or RAS), capital and liquidity management (ICAAP/ILAAP), Resolution and Recovery Planning. In particular, the Committee has ensured that these assessments inform and underpin strategic decision making.

The Committee has overseen a redeveloped RAS approach which has provided greater integration of risk appetite setting with the Bank's key risk assessment, planning and strategy processes. The redeveloped RAS includes measures for long-term Risk Appetite Ambition as well as Risk Appetite and seeks to articulate both the actual and current risk position of the Bank. In addition to this, over the past 12-18 months, the ICAAP and ILAAP have evolved, with increased emphasis on the Bank's own view of risks as calculated by the Bank's internal models (the Economic perspective), which enhances how ICAAP and ILAAP can input into decision making on strategic planning and on optimising use of the Bank's capital resources. The Committee is also focussed on developing the appropriate quantitative and qualitative Risk Appetite metrics for Climate Related and Environmental Risk and continues to be proactively involved in monitoring how the Group delivers its Climate Risk Strategy, ensuring it is underpinned by a robust Data Strategy.

The Committee recognises the importance of looking after the Bank's customers at all stages of their journey with PTSB and welcomed the introduction of the "Decision Yes Checks" as a key element of the Committee's decision-making and approval process; these assessments assisted in the making of informed decisions, enabling comprehensive consideration of potential customer impact and ensuring fair outcomes for customers which is a key priority for the Bank. The Committee also monitored the risk and incidence of fraud both from the customer and Bank perspective and has oversight on the initiatives being undertaken to mitigate these risks while acknowledging the growth of fraud is a particular challenge for all banks.

A key programme for the Bank during 2024 and continuing into 2025 was the Bank's Capital Models Programme which seeks to achieve Regulatory approval to utilise a suite of redeveloped Internal Ratings Based (IRB) models underpinning the Risk Weighted Asset calculation for the Bank's Capital (CET1). The Committee provided support and challenge to Management and is actively involved in overseeing progress with this programme.

Advising and supporting the Board in ensuring there is effective risk management and risk governance across the Group is a key priority for the Committee. Following a period of reflection and engagement with key stakeholders in 2023, the Committee supported oversight on delivery of an enhanced control environment through a number of key initiatives. Key outcomes are the embedding of a revised approach to the Risk Control Self-Assessment process including mapping of regulatory regulations, development of a combined assurance model with enhanced alignment and collaboration across the three lines of defence. Furthermore, there has been roll out of first-line risk committees in each functional area with cross functional collaboration on risk management. While positive progress has been made in implementing the Central Bank Guidelines on Operational Resilience and Outsourcing and the Digital Operational Resilience Act (DORA), maintaining the robust approach to Operational Resilience and Third Party Management will be a key focus in 2025.

During 2023, the Committee supported the Board in overseeing the risks associated with what was a transformational transaction for the Bank to acquire certain parts of the Ulster Bank business from Nat West Bank; throughout 2024, the Committee maintained oversight of the residual risks that remained to be addressed post integration of the Ulster Bank business. One example is how the Committee oversaw the risks associated with the newly acquired Asset Finance business reviewing RWA calculation approach, AML/CTF compliance and conduct risk matters such as early identification of the need to update the unit's discretionary commission arrangements for Irish motor dealers.

I look forward to working with my fellow committee members and continuing to support the Board in 2025 with particular focus on overseeing and managing the risk associated with execution of the Bank's Integrated Strategic Plan.

Rick Gildea
Chairperson, Board Risk & Compliance Committee

Composition and Operation

The BRCC is composed of a majority of Independent Non-Executive Directors. Neither the Board Chairperson nor the CEO is a member of the BRCC. The Board ensures that the Chairperson of the Committee has relevant risk management and/or compliance experience. The Board requires that at least one member of the Committee is common to each of the Board Audit (Anne Bradley, Catherine Moroney, Rick Gildea) and the Board Remuneration Committees (Rick Gildea). The Committee holds a member only session at the start of each meeting following which the Committee invites the CRO for a private session with the Committee if required. Thereafter other members of Senior Management are invited to attend, as required.

2024 Committee Meeting Attendance

Member	Appointed	Ceased	Number of Years on the Committee	2024 Meeting Attendance
Donal Courtney**	3 Oct 2018	1 Oct 2024	6.0	10/10
Catherine Moroney	12 Dec 2023	-	1.1	11/12
Rick Gildea*	12 Dec 2023	-	1.1	9/12
Marian Corcoran	29 Oct 2019	-	5.2	12/12
Paul Doddrell	26 Nov 2020	-	4.1	11/12
Anne Bradley	30 Mar 2021	-	3.8	11/12

* Chairperson from October 2024
** Chairperson until October 2024

Responsibilities of the Committee

The Committee is responsible for monitoring adherence to the RAS. Where exposures exceed levels established in the RAS, the Committee is responsible for ensuring that appropriate remediation plans are developed. This is facilitated by the periodic review of a key risk indicators report calibrated to the RAS.

The Committee is responsible for monitoring compliance with relevant laws, regulatory obligations and codes of conduct. This is facilitated by regular reporting on compliance risks to the Committee. The Committee reviews the regulatory agenda and receives updates on activities to implement new and updated regulation together with monitoring engagement with the Group's Regulators.

The Committee is responsible for oversight and advice to the Board on risk governance, current risk exposures, future risk strategy, including strategy for capital and liquidity management, setting of compliance policies and principles and the embedding of a supportive culture in relation to the management of risk and compliance. BRCC supports the Board in carrying out its responsibilities for ensuring risks are properly identified, reported, assessed and controlled, and that the Group's strategy is consistent with the Group's Risk Appetite. The Committee seeks to review key aspects of the Group's risk profile and provide appropriate challenge on the adequacy of their management. The Committee continues to focus on the operational resilience of the Group, the incidence and management of material risk events and the importance of having automated processes, where practical and of effective controls.

The Committee independently monitors the extent to which the Group complies with relevant rules and procedures. This includes raising and maintaining awareness of, for example, financial regulations, compliance procedures and fraud and anti-corruption measures. The Company has internal policies, rules and procedures which provide assurance that Management complies with relevant laws and regulations regarding customers and business partners. The Committee remain focused with on its oversight responsibilities for Anti-Money Laundering and Counter-Terrorist Finance activities.

In addition to meeting legal requirements, the Committee reviews its own Terms of Reference annually and its own effectiveness, recommending any changes considered necessary to the Board.

Matters considered by the Committee in 2024

During 2024, the Committee continued to focus considerable attention on the Group's systems of risk management and internal control and supported work undertaken by the Three Lines of Defence to further embed the Group's Internal Control Framework. The Committee undertook regular reviews of the Group's systems of risk management and internal control during the year. In addition to the monthly reporting from the CRO, Head of Regulatory Compliance and Head of GIA, the Committee also considered a wide range of risk related frameworks and reports. Among the matters considered by the Committee during 2024 were:

- Operational Resilience and related matters (Critical Business Services reviews);
- Review of risk appetite to capture the evolving impact of climate risk;
- Review of data strategy needed to support evolution of the Bank's climate risk assessment and measurement;
- Review of Third Party Business Case and Risk Assessments;

- Review of Outsourcing Strategy and Third Party Management Framework;
- Key divisional and business frameworks under the Internal Control Framework;
- Review of OSII Prudential Compliance Obligations;
- Review of IRRBB Strategy;
- Monitoring of conduct risk and vulnerable customers;
- Reviews of the Bank's Resolution Planning work programme;
- Oversight for the remediation of SREP related Risk Mitigation Plans;
- Spotlights on key product portfolios (e.g. Home Loans, Asset Finance);
- Reporting on Compliance Monitoring and Assurance;
- MLRO Reports (AML/CFT and Anti Bribery and Corruption);
- Monitoring of upstream Regulatory developments;
- Oversight and approval of the Bank's Non-Performing Asset Strategy;
- Recovery Planning Preparedness and Scenario Planning;
- Spotlights on Fraud, Cyber Security and Digital resilience;
- Climate and Environment Risk Management;
- Complaints Framework and regular updates on complaint levels/plans to address;
- Reviews on Material Risk Events, Customer Impacting Errors and Fraud;
- ICAAP and ILAAP approach, design and recommendation of approval to the Board;
- ICAAP and ILAAP utilisation in strategy formulation and decision making;
- Reviews of the Bank's provision models and expected credit loss outcomes;
- Updates on embedding of the Bank's Risk and Control Self-Assessment process;
- Addressing Risk Appetite breaches and approving remediation plans;
- Operational and IT Risk Monitoring Reports;
- Consideration of Data Protection Officer's Reporting;
- Reviews of obligations and activity under the Central Bank of Ireland Code on Lending to Related Parties;
- Recommending approval of the Bank's Internal Control Framework (to Board) and approval of the Bank's Enterprise Risk Management Framework and key divisional and business risk Frameworks therein; and,
- Approval of the Bank's Credit Risk Framework.

Governance in Action: Payments Issue November 2024

The importance of Operational Resilience and Third-Party Management was brought into sharp focus in November 2024, when PTSB experienced a significant disruption to SEPA payment processing due to a hardware failure at a Citibank Third-Party provider and a consequential issue with PTSB's Open 24 service causing disruption for our customers during a high-demand period. As part of its role in overseeing Third Party Management and Operational Resilience, throughout 2024 BRCC had assisted with the development of a new Third-Party Management Framework (providing guidance on the Third-Party Management Lifecycle) and supported key changes to the Bank's Third Party Management Policy, to reflect enhanced internal governance and oversight arrangements put in place and to align with DORA requirements. The Committee has and will continue to be heavily involved in the process to ensure that lessons are learned from these incidents and will track actions taken to mitigate the risk of re-occurrence.

The Board Remuneration Committee ensures that PTSB's remuneration policies, practices and decisions serve to align the interests of its employees with those of its shareholders; operate within the applicable regulatory and legal requirements; and, are free from any form of bias relating to gender, age or social or ethnic background.

Dear Shareholder,

On behalf of the Remuneration Committee, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2024, which has been prepared by the Committee and approved by the Board.
The Committee's report contains certain regulatory information required under the applicable legislation in respect of the Bank's status as a listed company and credit institution, as well as under the EBA Guidelines on Internal Governance, the amended EU Directive on the encouragement of long-term shareholder engagement, as transposed in Ireland (the "Shareholder Rights Regulations", or the "Regulations"), the UK Corporate Governance Code (the "UK Code") and Irish Annex. For financial year 2025 the Bank will also be subject to the Irish Corporate Governance Code.
Our Directors' Remuneration Report also provides further detail on the composition of the Committee and its role and responsibilities and a description of the work undertaken by the Committee during the year. We also include details of the Remuneration Policy criteria and the components of the Bank's reward offering, with a focus on the Bank's Directors (Executive and Non-Executive).

In 2024, the Committee continued to oversee the way in which our Remuneration policy, and its implementation serve to reward individual performance (what our colleagues achieve but also the manner in which they achieve their objectives). As a Committee, we also reviewed how our approach to pay and benefits contributes to the strengthening of our culture, including our risk culture. We also considered how we reward the delivery of the long-term sustainability of our business by aligning remuneration with the long-term interests of shareholders, investors and other interested parties, and with the public interest, as well ensuring fulfilment of our regulatory obligations.

In line with its responsibilities under the terms of the Shareholder Rights Regulations, the Bank publishes its Directors' Remuneration Policy (the "Policy"), as applicable to the Board of Directors. The Policy is published in full on the Bank's website: www.permanenttsbgroup.ie. During 2024, our Directors' remuneration was implemented in accordance with the approved Policy, and no derogations from the Policy were availed of during the year.

It remains the policy of the Bank to reward our colleagues appropriately as we work together to build a valuable and sustainable business, operating within the Bank's Risk Appetite and underpinned by a strong culture which manifests itself in responsible and accountable behaviours in our day-to-day interactions and decision-making with our customers and each other.

Amendments to the restrictions on variable pay present the opportunity for PTSB to introduce an all-colleague, Enterprise-wide Variable Pay Scheme involving potential awards of up to €19,999. Subject to consultation with our Staff Representative Bodies, the new scheme is intended to enable us to reward colleagues at all levels, including Senior Management for their contribution to the achievement of our long-term strategic goals, the sustainability of our business and delivery for our customers. The scheme design will take account of the need to comply fully with all appropriate regulation and legislation and State Agreements on remuneration. The structure of the scheme is intended to ensure that the determination of variable pay at the group and individual level will link to the Bank's financial and strategic performance, encourage the embedding of a culture of strong prudential and conduct risk management and reward colleagues appropriately for their contribution.

Beyond the Variable Pay matters, 2024 was a year of considerable change for PTSB, and one in which we sought to build on the momentum gained as a result of the expansion of our customer, product and colleague base following the Ulster Bank transaction.

In May 2024, following robust but productive discussions with Staff Representative Bodies, supported by the Workplace Relations Conciliation Services, the Bank reached agreement with two of our three Union partners on our 2024 annual Pay Review. That review involved an average increase of 4.7% for eligible colleagues, with individual award increases of up to 5% based on performance and relative salary positioning. The Bank was unable to secure agreement from our third Union partner. At the date of writing, issues relating to pay remain unresolved with the Bank's third Union and the Bank continues to engage on these matters with the intention of reaching a suitable outcome as soon as possible.

As part of the Bank-wide review of 2024 pay, Mr Eamonn Crowley's (CEO) salary remained unchanged in order to comply with State Agreements on remuneration, and specifically the 'Pay Cap' which restricts Executive Pay to €500,000 per annum. In 2024, Ms Nicola O'Brien (CFO) received a base salary increase of 4.5%. That increase was below the average 4.7% payout across the wider colleague population. The level of increase was approved by the Committee based on an assessment informed by the use of independently sourced market benchmarks for equivalent roles in comparable organisations in the Republic of Ireland. In the context of Executive Pay, it is of note that the market information used to inform pay decisions included data relating to organisations which – unlike the Bank - operated variable pay arrangements. In August 2024, Ms O'Brien announced her intention to resign as CFO. Full details of Directors remuneration arrangements are provided over the following pages.

The fee structure for Non-Executive Directors remained unchanged in 2024. The 2025 review for Non-Executive Director fees has not yet concluded and further details will be included within next year's report.

The Committee also approved the implementation of a Voluntary Redundancy scheme in line with the terms of the Bank's Remuneration Policy. Initially involving members of our Senior Management community, in December 2024 the scheme was subsequently expanded to gauge the level of interest amongst colleagues at all levels. The scheme is one of a number of important strategic business transformation change initiatives designed to support our strategy and to improve organisational effectiveness and efficiency, and has been designed in a manner which provides optionality to colleagues who after a period of significant change, may now wish to seek opportunities outside of PTSB. The window for receipt of expressions of interest closed in January 2025 with management making decisions on VSS recipients in February/March 2025, and colleague exits scheduled to take place throughout the year.

Finally, throughout 2024, the Committee was also involved in the overseeing aspects of PTSB's response to emerging legislation that will impact how we remunerate our colleagues and in particular changes to Pay Transparency legislation and the roll-out of Pension Auto Enrolment, which will be known as "My Future Fund" upon implementation. More details will be provided in the 2025 Annual Report.

On behalf of the Board Remuneration Committee:

Cel Fitzgerald

Celine Fitzgerald
Chair of the Remuneration Committee.

Annual Report on Remuneration - 2024

Remuneration Committee Composition and Operation
The members of the Board Remuneration Committee are experienced in the management and oversight of large organisations where the remuneration and motivation of staff and executives is of crucial importance.

The Committee had eight meetings during 2024.

2024 Committee Meeting Attendance

Member	Appointed	Ceased	Number of Full Years on the Committee	2024 Meeting Attendance (of which eligible to attend)
Celine Fitzgerald	30-Mar-21	-	3.8	8/8
Julie O'Neill	01-Feb-23	-	1.0	8/8
Ruth Wandhöfer	01-Feb-19	-	5.9	8/8
Richard Gildea	12-Dec-23	-	1.1	6/8

Remuneration Committee Role and Responsibilities

The purpose, duties and membership of the Committee are set out in the Committee's Terms of Reference, which can be found on the Bank's website www.permanenttsbgroup.ie. The Terms of Reference are reviewed by the Committee on an annual basis. No material changes were enacted following a review of the Committee's Terms of Reference in 2024.

The main roles and responsibilities of the Committee include:

- Recommending the Bank's remuneration policies, including that applicable to the Board of Directors, to the Board for approval on an annual basis and ensuring they comply with applicable regulatory and legal requirements and remain free from any form of bias relating to gender, age or social or ethnic background;
- Supporting the Board in overseeing remuneration policies, practices and processes and compliance with the Bank's Remuneration Policy (both as applicable to the Directors and the wider population);
- Ensuring the remuneration policies and procedures do not promote excessive risk taking and are aligned with the Company's overall corporate governance framework, corporate culture, risk culture and attitude to and appetite for risk and related governance processes, and takes into account the need to maintain all capital and liquidity ratios including buffer requirements;
- Recommending the design, eligibility and performance measures for any incentive schemes to the Board for approval;
- Setting and assessing performance targets for any incentive schemes;
- Recommending remuneration proposals (including joining and termination arrangements) in respect of the Chairperson, CEO, Executive Directors, Company Secretary, Executive Committee, Group Treasurer, Chief Credit Officer, and Heads of Control Functions for approval by the Board;
- Overseeing remuneration proposals in respect of any other identified staff (Material Risk Takers) as defined under the fifth Capital Requirements Directive (CRD V); and,
- Overseeing the annual review of the implementation of the Remuneration Policy applicable across the Bank.

Remuneration Committee Advisers

During 2024, the Committee used the services of its external consultant, Deloitte LLP, for advice on remuneration trends in the external market and for perspective on remuneration regulatory compliance matters. During the year, Deloitte also provided advisory services to the Bank in the technology area as well as certain risk related topics.

During 2024, the Committee also employed the services of Willis Towers Watson who provided market benchmarking data and remuneration trend analysis.

In addition to the use of external advice, in designing its approach to remuneration the Committee also takes account of appropriate input from the Bank's HR, Risk, Compliance, Finance and Internal Audit functions to ensure that the decision-making process is aligned with the Bank's financial performance, risk appetite, regulatory guidelines and stakeholder interests.

Matters considered by the Committee in 2024

The Committee performed an annual review of its own Terms of Reference, as well as reviewing its own effectiveness, and recommended the output of that review to the Board.

During 2024, and within the terms of State agreements, the Remuneration Committee kept the impact of the Bank's Remuneration Policy (including that applicable to the Directors), 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 considered whether the Directors' Remuneration Policy operated as intended in terms of company performance and quantum. The Committee also kept under review all aspects of remuneration for the Board Chairperson, CEO, Executive Directors, members of the Executive Committee and the wider employee population.

In determining remuneration arrangements for Executive Directors, the Committee takes account of the pay and employment conditions of the wider workforce to ensure consistency. Wider workforce engagement on pay arrangements at the Bank took place with the Bank's Staff Representative Bodies during 2024.

It remains the policy of the Bank to reward our colleagues appropriately as we work together to build a valuable and sustainable business, operating within the Bank's Risk Appetite and underpinned by a strong culture which manifests itself in responsible and accountable behaviours in our day-to-day interactions and decision-making with our customers and each other. To this end, the Policy has been designed to ensure that the Bank's offering is sufficiently competitive so as to attract and retain the required talent and skills to deliver the return of value to the Company's shareholders.

In 2024, the Committee reviewed the Bank's approach to remuneration from the perspective of ensuring that all employees, regardless of gender, age or social or ethnic background are remunerated fairly. In that regard, it is of note that 2024 was the fifth year in which the Bank published details of its gender pay gap; and the third year in which the Bank reported in line with Irish legislation introduced in 2022. The Bank's gender pay gap stood at 16.9% at our chosen snapshot date of 30th June 2024, which represented an increase in the gap of 16.3% reported in 2023. The gap persists primarily as a result of a gender imbalance at senior levels and we continue to design and implement strategies designed to eliminate the gap over time. Further details of the gap and our commitment to reducing same are provided in the separate section of the Bank's Annual Report which details the Bank's Diversity, Equality and Inclusion strategy.

In May 2024, following robust but productive discussions with Staff Representative Bodies, supported by the Workplace Relations Conciliation Services, the Bank reached agreement with two of our three Union partners on our 2024 annual Pay Review. That review involved an average increase of 4.7% for eligible colleagues, with individual award increases of up to 5% based on performance and relative salary positioning. At the date of writing, issues relating to pay remain unresolved with the Bank's third Union and the Bank continues to keep these matters under review with the intention of reaching a suitable outcome as soon as possible.
In 2024, the Bank also launched a Voluntary Redundancy scheme in line with the terms of the Bank's Remuneration Policy. That scheme was initially opened up to members of our Senior Management. In December 2024, the scheme was expanded to colleagues at all levels and individual expressions of interest will continue to be accepted up to mid-January 2025.

During the year, the Committee also maintained significant oversight to ensure compliance with the UK Corporate Governance Code and Irish Annex, CRD V related regulations and guidelines, including focusing on reviewing the remuneration arrangements in place for Material Risk Takers. The Committee re-approved the process and approach for the identification of Material Risk Takers in line with these requirements.

The Committee also reviewed the Bank's established variable commission scheme referred to as the 'Branch Based Commission Scheme', as well as principles and practices to ensure full alignment with regulatory requirements. In particular, we considered the requirements of CRD V, the EBA's Guidelines on sound remuneration policies and practices related to the sale and provision of retail banking products and services, the Central Bank of Ireland's Guidelines on Variable Remuneration Arrangements for Sales Staff, and relevant market practice. On the basis of this review, it was agreed to extend the operation of the scheme for a further year, subject to management maintaining strong control over customer and conduct management and robust governance of scheme-related performance data.

The Committee also reviewed the design of a new all-colleague, enterprise-wide Variable Pay Scheme which is subject to consultation with Staff Representative Bodies. The scheme is intended to incorporate appropriate metrics, weightings and targets to assess the Bank's performance (including its ability to pay variable remuneration) and individual performance and also, risk adjustment methodology including the use of clawbacks.

The Remuneration Committee, supported by management, continued to monitor closely ongoing engagements with key stakeholders including shareholders and employee representative bodies and the insights gained were used to inform decision-making relating to remuneration throughout 2024.

The Bank's Directors' Remuneration Policy was approved by our shareholders on an advisory basis at our 2024 AGM. The Committee is satisfied that in 2024 the Bank has continued to operate within its Remuneration Policy (both as applicable to the Directors and the wider population) and in line with the remuneration requirements of the framework agreement between the Minister for Finance and the Bank, and that the Directors' Remuneration Policy operated as intended in terms of company performance and quantum.

Other than as set out elsewhere in the Annual Report, the Committee is satisfied that the Bank is in compliance with the provisions of the Companies Act 2014, the, UK Corporate Governance Code and Irish Annex and the Shareholder Rights Regulations. With specific reference to the UK Code, the table below sets out how the Remuneration Committee has addressed the principles set out in the UK Code. Additional regulatory disclosures in relation to Remuneration Policy and strategy are set out in the Bank's Pillar 3 Report.

The following section sets out how the Remuneration Committee addresses the principles set out in the UK Corporate Governance Code in respect of the Directors' Remuneration Policy.

Provision	Approach
Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	The Committee regularly engages and consults with key stakeholders to take feedback into account and to ensure that our approach to Executive Remuneration is as transparent, simple and clear as is possible. Our employees are informed about our approach to remuneration. Our Remuneration Policy, applicable throughout the Bank and which includes details of the approach to Director remuneration, is published internally for all staff to view and our approved Directors' Remuneration Policy is published in full on the Bank's website www.permanenttsbgroup.ie. Further details on the engagement model in place with Representative Bodies is included in the Workforce Engagement Section of the Corporate Governance Statement that forms part of this report.
Simplicity and predictability Remuneration structures should avoid complexity and their rationale and operation should be easy to understand. The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the Policy.	Linked to certain agreements and commitments in place with the Irish State, the Bank currently only operates fixed remuneration among Executive Directors, consisting of basic salary, pension and benefits. As a result, the Committee's ability to apply discretion with respect to outcomes for this population was limited. However, the simplicity of our approach enhances its predictability. Our future approach to variable remuneration will involve a review of Executive Director remuneration arrangements from the perspective of ensuring that our approach continues to avoid complexity, and is predictable in its nature, as well as providing the Remuneration Committee with discretion over remuneration outcomes.
Risk Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	Remuneration arrangements are designed to align pay with the Bank's risk culture, attitude to and appetite for risk and our governance and regulatory framework. The launch of future variable remuneration schemes will factor in robust linkages between pay and performance with controls to be put in place to ensure variable pay outcomes are appropriate, including the use of risk adjustments as appropriate. The Committee will be assigned the discretion to adjust formulaic outcomes for Executive Directors and members of the Executive Committee to ensure appropriate consideration of risk factors when determining variable pay outcomes.
Proportionality and alignment to culture The link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance. Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	While the Bank currently only operates fixed remuneration among the Executive Directors, it is committed to ensuring the ongoing alignment of remuneration with strategy and long-term sustainable performance and the recognition of positive behaviours. In future years, where variable remuneration is likely to form a component of our reward proposition, the Committee will have the ability to adjust formulaic outcomes to ensure they remain proportionate in the context of the Bank's achievement of its financial or non-financial performance objectives and to promote the achievement of our long-term strategic ambitions while driving behaviours consistent with our purpose, values and strategy including our commitment to our Sustainability agenda.

Components of Executive Director Remuneration - 2024

Basic salary

As in previous years, pay increases to eligible staff in our wider workforce were based on each individual staff member's performance and salary position versus the relevant market median. The increases ranged from 0% up to 5% with an average increase of 4.7% and all increases were effective from 1 January 2024. As part of the 2024 review of pay arrangements, the CEO's salary remained unchanged in order to comply with State Agreements on remuneration, while the CFO received a 4.5% base pay increase, with the size of that increase influenced by the results of a comprehensive market benchmarking exercise. In the context of Executive Pay, it is of note that the market information used to inform pay decisions included data relating to organisations which – unlike the Bank - operated variable pay arrangements The fee structure for Non-Executive Directors remained unchanged in 2024. The 2025 review for Non-Executive Director fees has not yet concluded and further details of that review will be included within next year's report.

Pensions

The current Executive Directors are members of the PTSB Defined Contribution Pension Scheme. During 2024, the Bank contributed up to 20% of basic salary in the case of the CEO and 16% in the case of the CFO.

For context: since 2019, the Board has approved certain enhancements to staff defined contribution pension schemes where, based on market benchmarking, the maximum employer contributions were increased up to 16% linked to increases in each employee's own contributions and subject to certain age-based eligibility criteria. While the CFO has been aligned to this maximum, given the particular challenges faced in attracting and recruiting the most senior talent, in 2022, the Board approved an exceptional maximum pension contribution of 20% in the case of the CEO. Given the difficulties experienced in respect of senior talent acquisition, and aligned with the current approach for members of the Bank's Executive Committee, it was also agreed to exempt the Executive Directors, including the CEO, from the age-related eligibility criteria.

Other than basic salary, there are no other elements of Director's remuneration which are pensionable.

Benefits

During 2024, Executive Directors received benefits in line with the Policy. This included an allowance of €20,000 in lieu of a company car and eligibility for subsidised house purchase loans provided on the same terms and conditions as loans to other eligible PTSB employees.

Bonus and Long-term Incentive Plans

No bonus schemes were in place for Executive Directors and no bonus payments were made to Executive Directors during 2024 or 2023. Neither were there any long-term incentive arrangements in place for Executive Directors in 2024 or 2023.

In 2024, the Remuneration Committee and the Board reviewed the design of a new Variable Pay Scheme. All variable remuneration arrangements will be designed in a way that promotes the interests of our stakeholders and fully complies with applicable regulatory requirements and State Agreements on remuneration. The Variable Pay Scheme will be based on company and individual performance. For Executive Directors, future variable awards will be based on a performance period of one financial year. Awards will be assessed with reference to both financial and non-financial performance metrics. Awards will be payable following the end of the performance period in cash or – where practical – in shares or a combination of shares and cash. The Remuneration Committee will hold the discretion to review the level of awards and adjust the formulaic outcomes, including down to zero, to take account of risk adjustments where appropriate. Variable Pay awards will be subject to malus and clawback (where applicable).

Further information on our future approach to variable pay will be provided in the 2025 annual report and accounts.

Share option schemes

No share options were granted in 2024 or 2023. There were no share options in existence at the end of the period and the Bank's sole remaining share option scheme is now closed.

PTSB is reviewing options to implement an Approved Profit Sharing Scheme as part of its plans to implement a new Variable Pay scheme and more details will be disclosed in a future annual report.

Loss of Office Payments

The Remuneration Policy requires that any payments on termination of employment are made in accordance with the provisions of CRD V and applicable Irish legislation. Any payments in relation to termination reflect performance achieved over time and will not reward failure or misconduct. Leavers will receive any payments required under the terms of their contract.

Ms. O'Brien stepped down from the Board effective 28th August 2024, and remained in receipt of her salary, benefits and pension until 28th February 2025, in line with the six month notice period as agreed in the 2023 Director's Remuneration Policy. The amounts she received for the period 29th August 2024 to 28th February 2025 are as follows:

Salary:	€209,000
Benefits:	€10,000
Pensions:	€33,440
Total Loss of Office Payments due:	€252,440

Payments to Former Directors

Other than in respect of the Loss of Office payments described above, no such payments were made to former Executive Directors during 2024.

Directors' Fees from another Company

The Bank operates established polices, practices and procedures that are designed to identify, document and manage conflicts of interest. It is the policy of the Bank that where an Executive Director of the Bank is remunerated for service as a Non-Executive Director of a non-Bank company and retains such remuneration, the amount of this remuneration is disclosed. No Executive Director was in receipt of fees from external appointments during the period.

Directors' Remuneration Policy

In this section, we set out our Directors' Remuneration Policy ("Policy") for our Executive Directors and Non-Executive Directors as reviewed by the Remuneration Committee and approved by the Board of Directors.

The Directors' Remuneration Policy was most recently approved by our shareholders at the 2024 AGM and incorporated certain amendments to the Policy to support the launch of a Variable Pay scheme at an appropriate future date, and subject to consultation with our Staff Representative Bodies. The current version of policy is intended to apply until the AGM in 2027. However, we may seek shareholders' approval for a new Policy during the period depending on regulatory developments, changes to our strategy or competitive pressures.

The Policy is published in full on the Bank's website: www.permanenttsbgroup.ie and is outlined in full below.

The Policy, in alignment with the Remuneration Policy applicable across the Bank, is based on a set of agreed basic principles which are applied to all employees:

- Aligning remuneration with the Bank's risk appetite, approaches and governance framework;
- Ensuring our approach is in compliance with all applicable regulatory requirements;
- Aligning remuneration with our business strategy, objectives, purpose and values, and promoting the achievement of long-term Bank and stakeholder objectives and interests;
- Focusing on the attraction, engagement and retention of key talent of the calibre required;
- Ensuring that our Policy and each element of Directors' remuneration is as transparent, simple and clear as is possible.

Remuneration Components

Executive Director Remuneration:
The following are the key components of the Bank's reward proposition as it relates to the Executive Directors:

Remuneration Component	Remuneration Policy
Basic Salary	Basic salaries are set so as to attract and retain key talent of the calibre required to develop, lead and deliver the Bank's long-term strategy. Basic salaries are normally reviewed by the Remuneration Committee annually, taking into consideration: • the individual's skills, responsibilities and experience; • the scope of the role; • pay and employment conditions of colleagues elsewhere in the Group; • overall business performance and affordability; and • market competitiveness by reference to relevant comparator groups. Increases to basic salary may not necessarily be provided at each review. Whilst there is no maximum base salary (other than that specified by the terms of State Agreements), any increases for Executive Directors will normally be in line with the range of increases for other employees in the wider Group.
Benefits	Benefits are provided to ensure the overall package is competitive and in accordance with local market practice. The Committee's policy is to provide Executive Directors with a market competitive level of benefits, taking into consideration benefits offered to other employees in the Group, the individual's circumstances and market practice at similar companies. Benefits may include, but are not limited to, the provision of a car (or cash allowance in lieu) and subsidised house purchase loans provided on the same terms and conditions as loans to other eligible PTSB employees. Taxable or other expenses incurred in performing the role may also be reimbursed, as well as any related tax cost on such reimbursement.

Remuneration Component	Remuneration Policy
Pensions	Pension arrangements are intended to provide competitive post-retirement benefits aligned with market practice. Executive Directors are eligible to participate in the PTSB Defined Contribution Pension Scheme. Executive Directors may receive a maximum allowance of 16% of basic salary, or 20% of basic salary in the case of the Chief Executive Officer. Maximum contribution rates are generally consistent across the Bank. However, in recognition of the remuneration restrictions remaining in place as a result of the agreements and commitments in place with the Irish State, in order to ensure a competitive overall package, Executive Directors are not subject to certain age-related eligible criteria which apply to the availability of the maximum contribution rate for the wider workforce.
Short Term Incentive Plans	In 2023, the Remuneration Committee approved changes to the remuneration policy to support the introduction of variable remuneration at an appropriate future date. Variable pay subject to the criteria included in the remuneration policy will help support the further development of PTSB's high performance culture and will do so in way that promotes sustainable outcomes for our stakeholders. The scheme criteria will support full compliance with applicable regulatory requirements and State Agreements on remuneration. A maximum limit of €20,000 per annum on any award or combination of awards per individual colleague will apply. For Executive Directors, awards will be based on a performance period of one financial year. Awards will be assessed with reference to a suite of financial and non-financial performance metrics and will be paid in cash, shares (where practical) or a combination of both. Variable pay awards will be subject to malus and clawback (i.e., repayment or recoupment of paid/ vested awards) for a period of three years from the date of award. Malus and clawback may be applied in circumstances including: • Evidence of misconduct or serious error by the individual (e.g., breach of conduct standards and other internal rules, especially concerning risks); • Whether PTSB and/or the business unit subsequently suffers a significant downturn in its financial performance; • Whether PTSB and/or the business unit in which the identified staff member works suffers a significant failure of risk management; • Significant increases in PTSB's or the business unit's economic or regulatory capital base; or • Any regulatory sanctions where the conduct of the individual contributed to the sanction. Also, if the individual: • i. Participated in or was responsible for conduct which resulted in significant losses to PTSB; or • ii. Failed to meet appropriate standards of fitness and propriety; PTSB intends to implement an APSS to facilitate the delivery of shares under the scheme.

Recruitment approach for new Executive Directors

In determining the remuneration arrangements of a new Executive Director recruited or appointed to the Board, the Remuneration Committee's approach is to pay no more than is necessary to attract the best candidates to the role, and the following principles will be applied:

- The Remuneration Committee will take into account all relevant factors including the calibre of the individual and local market practice;
- Remuneration packages must meet any applicable local regulatory requirements;
- Remuneration arrangements for new recruits will be appropriately competitive and aligned with the remuneration policy table set out above; and
- In the case of an internal appointment, any existing commitments will be honoured.
- The Policy does not, other than by exception, allow for buy-out of remuneration terms forfeited by new recruits on leaving a previous employer. Any such award would be structured in line with applicable regulatory requirements, be subject to the terms of agreements in place with the Minister for Finance and will be structured in order that the terms and amount of any replacement award will not be more generous than the award forfeited on departure from the former employer. Any such buy-outs will be minimised wherever possible.

Non-Executive Director Remuneration

Non-Executive members of the Board of Directors receive a base fee. Additional fees may be paid for those individuals that perform additional duties; including, but not limited to, the role of Senior Independent Director and for chairing or being a member of specific Board Committees. The Chairperson receives an inclusive fee for the role.

Taxable or other expenses incurred in performing the role may also be reimbursed, as well as any related tax cost on such reimbursement.

The Chairperson's and Non-Executive Directors' fees are reviewed regularly to ensure they are consistent with market practice and are market competitive, reflective of the time commitment and responsibilities of the role (subject to any limits set by the Bank's shareholders).

The Remuneration Committee recommends the Chairperson's fee to the Board for approval. In respect of the review of remuneration decisions relating to Non-Executive Directors, a forum consisting of the Chairperson, Company Secretary and CEO has been authorised by the Board to review Non-Executive Director remuneration and to approve any changes thereto. No individual is involved in decisions in respect of their own remuneration.

Newly appointed Non-Executive Directors are remunerated in line with the principles above, on a time-apportioned basis in the first year as necessary.

For the avoidance of doubt, Non-Executive Board members are not eligible to participate in variable remuneration schemes or receive any pension benefits. Buy-out awards are not offered to Non-Executive Board members.

Relative proportion of fixed and variable remuneration

PTSB does not currently operate any variable remuneration arrangements for its Executive Directors. Remuneration for this population is therefore presently entirely fixed in nature.

In line with the amendments to the State Agreement, the Committee has decided to introduce the ability to pay variable pay to our Executive Directors to enable us to provide an element of pay for performance within our overall reward framework, albeit on a very limited basis. Any awards paid will be in line with the framework agreement between the Minister for Finance and the Bank, which currently permits annual bonuses in any 12-month period not exceeding €20,000 in the aggregate per individual.

Service contracts and letters of appointment and payments for loss of office

Executive Directors

Executive Directors' service contracts are reviewed by the Remuneration Committee and approved by the Board.

Executive Directors' contracts provide for a rolling 6 month notice period for all Executive Director Board appointments since 2020. The contractual arrangements in place with Executive Directors do not typically contain a predetermined contract end date, other than that date as set with reference to the Bank's retirement policy age criterion (i.e., age 65). The Bank reserves the right to require an Executive Director to take any remaining leave entitlement they may have during notice period.

Executive Directors may be required to work during the notice period, take a period of 'garden leave' or may be provided with pay in lieu of notice if not required to work the full notice period.

Executive Director contracts will not normally contain any provisions for predetermined compensation on termination which exceeds basic salary, pension and benefits payable in respect of the applicable notice period. Accrued but untaken holiday entitlement may also be paid. Any statutory requirements will be observed.

If an Executive Director ceases employment due to ill-health, retirement or death, the individual or his/her estate may be eligible for a payment under the scheme. The HR Director may approve any payments pro-rated for the period worked by the individual, provided it is aligned with performance during that time and subject RemCo oversight. Any payment made in these circumstances will only be paid on the date on which a payment becomes due under the rules of the scheme, apart from the death of the employee when a payment to the estate of the deceased employee may be made earlier, subject to the assessment of performance.

If an Executive Director ceases employment for any other reason, the default position is that the individual is not eligible for a payment under the scheme. However, in exceptional circumstances, the HR Director may approve a payment pro-rated for the period worked by the individual, provided it is aligned with performance during that time and subject to RemCo oversight. Any payment made in these circumstances will only be paid on the date on which a payment ordinarily becomes due under the rules of the scheme.

Any payments in relation to termination of employment are made in accordance with the provisions of all applicable regulatory requirements and Irish legislation and will reflect performance achieved over time and will not reward failure or misconduct.

Non-Executive Directors

The term of appointment of Non-Executive Directors is three years and is subject to satisfactory performance that is reviewed annually. Non-executive Directors do not have service contracts, but are bound by letters of appointment.

All Directors are required to seek reappointment by election at the Annual General Meeting. Non-Executive Directors will automatically retire from the Board after six years. It is always at the discretion of the Board to invite a Non-Executive Director to continue for a further period but this discretion will only be exercised in exceptional circumstances.

The Chairperson is proposed for reappointment by the Directors on an annual basis. The term of office of the Chairperson is normally six years.

The Non-Executive Directors' letter of appointment specify a one-month notice period. There are no additional obligations in the Non-Executive Directors' letters of appointment that could give rise to remuneration payments or payments for loss of office.

Statement of consideration of employment conditions elsewhere in the Bank

The Committee takes account of the pay and employment conditions of the wider PTSB employee base when it considers the remuneration of the Executive Directors. As stated above, the Policy is in alignment with the Remuneration Policy applicable across the Group and which is made available to all staff members on the Group's internal communications website, and is based on a set of agreed basic principles which are applied to all employees.

In determining remuneration arrangements for the Executive Directors, the Committee is presented with information in relation to the remuneration of the wider workforce, including aggregate pay outcomes in order to ensure decisions are made in the context of a detailed understanding of remuneration for the wider employee base and to ensure consistency throughout the Group.

Decision-making process for Policy determination, review and implementation

The Board of Directors is responsible for (i) designing the Directors' Remuneration Policy and proposing the Policy for shareholder approval at the Annual General Meeting; and (ii) implementing and evaluating the adopted Policy, including determining the remuneration and other terms and conditions of appointment of the Executive Directors.

The Remuneration Committee is responsible for annually reviewing the Policy and submitting a clear and understandable proposal to the Board concerning the Policy. In the performance of this task the Remuneration Committee receives input and support from the other Board committees and control functions as appropriate.

Non-Executive members of the Board act independently of the Executive Directors, and therefore no conflicts of interest should arise. No Director is involved in deciding their own remuneration outcome.

Derogation

Minor changes

The Board may make minor amendments to the Directors' Remuneration Policy set out above for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation without obtaining shareholder approval for that amendment. In the performance of this task the Committee may receive input and support from the other Board committees.

Exceptional circumstances

In exceptional circumstances, and to facilitate recruitment and termination, the Committee may, with approval from the Board, award minor additional benefits as appropriate. Any such award would be structured in line with applicable regulatory requirements, and be subject to the terms of agreements in place with the Minister for Finance. Any such awards will be minimised wherever possible.

Grandfathering

Executive Directors may be eligible to receive any payments from any remuneration arrangements in effect prior to the approval of this Remuneration Policy. Details of any such payments will be set out in the applicable annual remuneration report as they arise.

Director's Report on Remuneration

Executive Directors' Remuneration and Pension Benefits

Directors' remuneration for 2024 was implemented in accordance with the Bank's Directors' Remuneration Policy, as approved by shareholders at the 2024 AGM. No derogations from the Policy were availed of during the year. The Policy was designed – to the extent possible given the remuneration restrictions in place as a result of the agreements and commitments in place with the Irish State – to ensure alignment between our approach to reward and our business strategy and to promote long-term sustainable success.

In line with certain agreements and commitments in place with the Irish State, during 2024 all Bank employees were subject to a salary cap of €500,000 per annum. In addition, the Bank did not operate any variable remuneration arrangements for its Executive Directors. No bonus payments and long term incentive arrangements were made to Executive Directors during 2023 or 2024.

It is the policy of the Bank that any future bonus schemes and long term incentive plans, for which the Executive Directors may prove eligible, will adhere to the terms of the State Agreements, relevant regulatory requirements on variable pay and applicable Irish legislation, and will be subject to approval by shareholders. However, there were no such payments relating to the 2024 financial year.

Executive Directors' Remuneration and Pension Benefits

2024 remuneration for Executive Directors who held office for any part of the 2024 financial year was entirely fixed in nature, consisting of basic salary, certain benefits and defined contribution pension entitlements as follows:

		2024									
		1. Fixed Remuneration				2. Variable Remuneration					
Name of Executive Director, Position	Note	Base Salary	Fees	Fringe Benefits	Loss of Office Payments	One-year variable	Multi-year variable	3. Extraordinary items	4. Pension Expense	5. Total Remuneration	6. Proportion of Fixed and Variable Remuneration
Eamonn Crowley, CEO	1	€480,000	€0	€20,000	€0	€0	€0	€0	€96,000	€596,000	100% Fixed
Nicola O'Brien, CFO	2	€275,296	€0	€13,497	€172,365	€0	€0	€0	€44,047	€505,205	100% Fixed

Notes:
1. Fringe Benefits consist of Car Allowance Benefit.
2. On the 28th of August 2024, Ms. O'Brien announced her intention to resign her role. She stepped down from the Board effective 29th August 2024 and will remain in receipt of her salary, benefit and pension until February 2025. The remuneration disclosed above includes Loss of Office Payments related to Ms. O'Brien's employment as CFO and relates only to that period as an Executive Director. Fringe Benefits consist of Car Allowance and Benefit in Kind relating to the payment of professional body subscriptions.

For comparison, 2023 Remuneration for Executive Directors who held office for any part of the 2023 financial year was entirely fixed in nature, consisting of basic salary, certain benefits and defined contribution pension entitlements as follows:

		2023								
		1. Fixed Remuneration			2. Variable Remuneration					
Name of Executive Director, Position	Note	Base Salary	Fees	Fringe Benefits	One-year variable	Multi-year variable	3. Extraordinary items	4. Pension Expense	5. Total Remuneration	6. Proportion of Fixed and Variable Remuneration
Eamonn Crowley, CEO	1	€480,000	€0	€20,000	€0	€0	€0	€96,000	€596,000	100% Fixed
Nicola O'Brien, CFO	2	€400,000	€0	€20,892	€0	€0	€0	€61,667	€482,559	100% Fixed

Notes:
1. Fringe Benefits consist of Car Allowance Benefit.
2. Fringe Benefits consist of Car Allowance and Benefit in Kind relating to the payment of professional body subscriptions.

Aggregate Executive Director Compensation stood at €928,840 in 2024 compared to €1,078,559 in 2023.

No Executive Director was in receipt of any remuneration from any undertaking within the Group other than PTSB Group Holdings plc.

Non-Executive Director Remuneration

The basic fee structure in place for the Chairperson and Non-Executive Directors in 2024 remained unchanged versus the prior year and is outlined in the table below.
Aggregate fees paid to Non-Executive Directors decreased from €1,061,840 (2023) to €1,038,445 in 2024.

		2024									
		1. Fixed Remuneration				2. Variable Remuneration					
Name of Director, Position	Note	Base Salary	Basic Fees	Fees Paid	Fringe Benefits	One-year variable	Multi-year variable	3. Extraordinary items	4. Pension Expense	5. Total Remuneration	6. Proportion of Fixed and Variable Remuneration
Julie O'Neill	1	€0	€320,000	€320,000	€420	€0	€0	€0	€0	€320,420	100% Fixed
Ronan O'Neill	2	€0	€60,000	€115,000	€375	€0	€0	€0	€0	€115,375	100% Fixed
Donal Courtney	3	€0	€60,000	€72,070	€590	€0	€0	€0	€0	€72,660	100% Fixed
Ruth Wandhofer	4	€0	€60,000	€73,750	€110	€0	€0	€0	€0	€73,860	100% Fixed
Marian Corcoran	5	€0	€60,000	€73,750	€465	€0	€0	€0	€0	€74,215	100% Fixed
Paul Doddrell	6	€0	€60,000	€73,750	€543	€0	€0	€0	€0	€74,293	100% Fixed
Celine Fitzgerald	7	€0	€60,000	€76,500	€465	€0	€0	€0	€0	€76,965	100% Fixed
Anne Bradley	8	€0	€60,000	€76,500	€110	€0	€0	€0	€0	€76,610	100% Fixed
Catherine Moroney	9	€0	€60,000	€76,500	€0	€0	€0	€0	€0	€76,500	100% Fixed
Richard Gildea	10	€0	€60,000	€80,625	€0	€0	€0	€0	€0	€80,625	100% Fixed

Notes:
1. Ms O'Neill was appointed as a member of the Board on 17 January 2023 and on the 1 February 2023 became a member of the Remuneration Committee and Board Nomination, Culture and Ethics Committee. She does not receive additional fees in these roles. Ms O'Neill was appointed as Board Chairperson on 31 March 2023. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions and expenses.
2. Additional fees paid as Chairperson of the Board Audit Committee, member of the Board Nomination, Culture and Ethics Committee and Senior Independent Director. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions.
3. Ceased as Non-Executive Director on 1 October 2024. Additional fees paid as Chairperson of the Board Risk and Compliance Committee, and member of Board Audit Committee. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions.
4. Additional fees paid as member of the Board Audit Committee and the Remuneration Committee. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions.
5. Additional fees paid as member of the Board Risk and Compliance Committee and the Board Nomination, Culture and Ethics Committee. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions.
6. Additional fees paid as member of the Board Risk and Compliance Committee and the Board Nomination, Culture and Ethics Committee. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions and expenses.
7. Additional fees paid as Chair of the Remuneration Committee and member of the Nomination, Culture and Ethics Committee. Fringe benefits comprise of Benefit in Kind relating to the payment of professional body subscriptions.
8. Additional fees paid as member of the Board Audit Committee and Board Risk and Compliance Committee. Fringe benefits comprise of Benefit in Kind relating to the payment of professional body subscriptions.
9. Additional Fees paid as member of the Board Risk and Compliance Committee and the Board Audit Committee.
10. Additional Fees paid as Chair of the Board Risk and Compliance Committee and member of the Remuneration and Board Audit Committees.

Non-Executive Director Remuneration

For comparison, the level of fees paid to the Chairperson and Non-Executive Directors in 2023 is outlined in the table below.

		2023									
		1. Fixed Remuneration			2. Variable Remuneration						
Name of Director, Position	Note	Base Salary	Basic Fees	Fees Paid	Fringe Benefits	One-year variable	Multi-year variable	3. Extraordinary items	4. Pension Expense	5. Total Remuneration	6. Proportion of Fixed and Variable Remuneration
Robert Elliott	1	€0	€320,000	€80,000	€0	€0	€0	€0	€0	€80,000	100% Fixed
Julie O'Neill	2	€0	€320,000	€256,275	€11	€0	€0	€0	€0	€256,286	100% Fixed
Ken Slattery	3	€0	€60,000	€72,593	€375	€0	€0	€0	€0	€72,968	100% Fixed
Andrew Power	4	€0	€60,000	€28,350	€0	€0	€0	€0	€0	€28,350	100% Fixed
Ronan O'Neill	5	€0	€60,000	€121,187	€375	€0	€0	€0	€0	€121,562	100% Fixed
Donal Courtney	6	€0	€60,000	€101,938	€90	€0	€0	€0	€0	€102,028	100% Fixed
Ruth Wandhofer	7	€0	€60,000	€73,750	€445	€0	€0	€0	€0	€74,195	100% Fixed
Marian Corcoran	8	€0	€60,000	€79,937	€445	€0	€0	€0	€0	€80,382	100% Fixed
Paul Doddrell	9	€0	€60,000	€82,688	€445	€0	€0	€0	€0	€83,133	100% Fixed
Celine Fitzgerald	10	€0	€60,000	€71,281	€445	€0	€0	€0	€0	€71,726	100% Fixed
Anne Bradley	11	€0	€60,000	€82,688	€445	€0	€0	€0	€0	€83,133	100% Fixed
Catherine Moroney	12	€0	€60,000	€4,113	€0	€0	€0	€0	€0	€4,113	100% Fixed
Richard Gildea	13	€0	€60,000	€3,965	€0	€0	€0	€0	€0	€3,965	100% Fixed

Notes:

1. Mr Elliott resigned from the Board on 30 March 2023.
2. Ms O'Neill was appointed as a member of the Board on 17 January 2023 and on the 1 February 2023 became a member of the Remuneration Committee, Board Nomination, Culture and Ethics Committee and Project Sun (Ulster Bank transaction) Oversight Committee. Ms O'Neill was appointed as Board Chairperson on 31 March 2023. Fringe benefits relate to the payment of expenses.
3. Additional fees paid as Chairperson of the Remuneration Committee, and member of the Nomination, Culture and Ethics Committee. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions. Mr Slattery resigned from the Board on 12 December 2023.
4. Additional fees paid as member of the Board Audit Committee and member of the Remuneration Committee. Mr Power resigned from the Board on 19 May 2023.
5. Additional fees paid as Chairperson of the Board Audit Committee, member of the Board Nomination, Culture and Ethics Committee, Project Sun Oversight Committee and Senior Independent Director. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions.
6. Additional fees paid as Chairperson of the Board Risk and Compliance Committee, and member of Board Audit Committee and the Project Sun Oversight Committee. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions.
7. Additional fees paid as member of the Board Risk and Compliance Committee, Board Audit Committee and the Remuneration Committee. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions.
8. Additional fees paid as member of the Board Risk and Compliance Committee, the Board Nomination, Culture and Ethics Committee and Project Sun Oversight Committee. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions.
9. Additional Fees paid as member of the Board Risk and Compliance Committee, Project Sun Oversight Committee and the Board Audit Committee. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions.
10. Additional fees paid as member of the Remuneration Committee and Nomination, Culture and Ethics Committee. Fringe benefits comprise of Benefit in Kind relating to the payment of professional body subscriptions.
11. Additional fees paid as member of the Board Audit Committee, Project Sun Oversight Committee and Board Risk and Compliance Committees. Fringe benefits comprise Benefit in Kind relating to the payment of professional body subscriptions.
12. Additional Fees paid as member of the Board Risk and Compliance Committee and the Board Audit Committee. Ms Moroney was appointed to the Board on 12 December 2023.
13. Additional Fees paid as member of the Board Risk and Compliance Committee and the Remuneration Committee. Mr Gildea was appointed to the Board on 12 December 2023.

The table below outlines the level of fees paid to the Chairperson and Non-Executive Directors, including base fees and further fees for additional Board duties such as chairpersonship or membership of a committee. The fee structure remained unchanged in 2024. The 2025 review for Non-Executive Director fees has not yet concluded and further details of the outcome of this review will be included within next year's report.

Position:		2023 Fees	2024 Fees
Board Chairperson		€320,000	€320,000
Non-Executive Director (Base Fee)		€60,000	€60,000
Senior Independent Director		€22,000	€22,000
Board Audit Committee and Board Risk & Compliance Committee	Chairperson	€27,500	€27,500
	Member	€8,250	€8,250
Remuneration Committee	Chairperson	€11,000	€11,000
Remuneration Committee and Nomination, Culture & Ethics Committee	Member	€5,500	€5,500
Project Sun (Ulster Bank Transaction) Oversight Committee (Committee was dissolved on 30/09/2023)	Member	€8,250	N/A

Comparison of Directors' and Employees' pay

The following table provides information regarding the annual change in the total remuneration of members of the Bank's Board of Directors, as well the average change in remuneration, on a full-time equivalent basis, of our employees as compared with our Company performance between 2019 and 2024.

Changes in Remuneration	Note	Percentage change between 2019 and 2020	Percentage change between 2020 and 2021	Percentage change between 2021 and 2022	Percentage change between 2022 and 2023	Percentage change between 2023 and 2024
Directors' Remuneration – Executive Directors						
Eamonn Crowley, CEO	1	6.60%	5.10%	0.00%	4.20%	0.00%
Nicola O'Brien, CFO	2	N/A	N/A	N/A	12.70%	4.7%
Michael Frawley, CRO	3	0.7%	0.00%	0.00%	N/A	N/A
Directors' Remuneration – Non-Executive Directors (NEDs)						
Robert Elliot, Chairperson	4	0.00%	0.00%	5.20%	0.00%	N/A
Julie O'Neill, Chairperson	5	N/A	N/A	N/A	N/A	23.0%
Ken Slattery, Independent NED	6	4.6%	2.30%	1.70%	4.10%	N/A
Andrew Power, Independent NED	7	0.00%	0.00%	4.90%	4.70%	N/A
Ronan O'Neill, Independent NED	8	6.50%	21.30%	7.60%	2.90%	-5.1%
Donal Courtney, Independent NED	9	0.00%	1.10%	6.60%	2.70%	-5.6%
Ruth Wandhofer, Independent NED	10	0.00%	0.60%	4.20%	4.70%	-0.5%
Marian Corcoran, NED	11	0.00%	7.00%	8.90%	2.00%	-7.7%
Paul Doddrell, NED	12	N/A	1.80%	14.20%	2.10%	-10.6%
Celine Fitzgerald, Independent NED	13	N/A	N/A	4.10%	5.70%	7.3%
Anne Bradley, Independent NED	14	N/A	N/A	6.50%	2.70%	-7.8%
Catherine Moroney, Independent NED	15	N/A	N/A	N/A	N/A	0.0%
Richard Gildea, Independent NED	16	N/A	N/A	N/A	N/A	9.3%

Changes in Remuneration	Note	Percentage change between 2019 and 2020	Percentage change between 2020 and 2021	Percentage change between 2021 and 2022	Percentage change between 2022 and 2023	Percentage change between 2023 and 2024
Average remuneration on full-time equivalent basis						
Employees of the company	17	2.60%	1.70%	-0.80%	2.80%	3.0%
Underlying profit/loss	18	(€109m)	€17m	€45m	€166m	€180m
Adjusted Cost to Income Ratio	19	75%	82%	83%	64%	74%

Notes:
1. Mr Crowley served as CFO up to 1st July 2020 at which point he was appointed as CEO. The year on year increase in 2021 reflects this appointment to CEO. The increase in 2023 results from certain changes to pension arrangements.
2. Ms. O'Brien was appointed to the Board on 4 August 2022 and therefore no pre-2022 data is available for comparative purposes. Ms. O'Brien resigned from the Board on 29th August 2024. The year on year increase in 2024 reflects an annual performance related salary increase.
3. Mr. Frawley was appointed to the Board on 29th October 2019. Remuneration for 2019 has been annualised for the purpose of the above. He resigned from the Board on 30 March 2022.
4. Mr Elliott resigned from the Board on 31st March 2023. Mr. Elliot's increase in 2022 is reflective of the increase in board remuneration fees which were approved in July 2022.
5. Ms O'Neill was appointed as member of the Board on 17th January 2023, and as Chairperson to the Board on 31st March 2023 and therefore no data is available for comparative purposes prior to this. The year on year increase in 2024 reflects her appointment as Chairperson during 2023.
6. Mr. Slattery resigned from the Board on the 14 December 2023. Mr Slattery was appointed as Chair of Remuneration Committee on 8th September 2020. The year on year increase in 2021 reflects this appointment and the payment of fringe benefits during 2021. The year on year increases in 2022 and 2023 respectively are reflective of the increase in board remuneration fees which were approved in July 2022.
7. Mr Power resigned from the Board on 19th May 2023. The year on year increases in 2022 and 2023 respectively are reflective of the increase in board remuneration fees which were approved in July 2022 and which have been annualised for the purposes of the 2023 analysis.
8. Mr O'Neill was appointed as Senior Independent Director on 6th August 2020. The year on year increase in 2021 reflects this appointment, and other committee membership changes during 2021. The year on year increases in 2022 and 2023 respectively are reflective of the increase in board remuneration fees which were approved in July 2022. The year on year decrease in 2024 is reflective of the windup of the Project Sun Oversight Committee at the end of 2023, of which Mr O'Neill was a member.
9. The year on year increases in 2022 and 2023 respectively are reflective of the increase in board remuneration fees which were approved in July 2022. The year on year decrease in 2024 is reflective of the windup of the Project Sun Oversight Committee at the end of 2023, of which Mr Courtney was a member.
10. Ms Wandhöfer was appointed as a member of the Board on 1st February 2019. Remuneration for 2019 was annualised for the purposes of the above. Her year on year increase in 2021 reflects payment of fringe benefits during 2021. The year on year increases in 2022 and 2023 respectively are reflective of the increase in board remuneration fees which were approved in July 2022. The year on year decrease in 2024 is reflective of committee changes.
11. Ms Corcoran was appointed as a member of the Board on 24th September 2019. Remuneration for 2019 was annualised for the purposes of the above. Her year on year increase in 2021 reflects committee membership changes during 2021. The year on year increases in 2022 and 2023 respectively are reflective of the increase in board remuneration fees which were approved in July 2022. The year on year decrease in 2024 is reflective of the windup of the Project Sun Oversight Committee at the end of 2023, of which Ms Corcoran was a member.
12. Mr Doddrell was appointed as a member of the Board on 26th November 2020 and therefore no pre-2020 data is available for comparative purposes. Remuneration for 2020 was annualised for the purposes of the above. The year on year increase in 2021 reflects committee membership changes during 2021. The year on year increases in 2022 and 2023 respectively are reflective of the increase in board remuneration fees which were approved in July 2022. The year on year decrease in 2024 is reflective of the windup of the Project Sun Oversight Committee at the end of 2023, of which Mr Doddrell was a member.
13. Ms. Fitzgerald was appointed as a member of the Board on 30th March 2021 and therefore no pre-2021 data is available for comparative purposes. Remuneration for 2021 was annualised for the purposes of the above. The year on year increases in 2022 and 2023 respectively are reflective of the increase in board remuneration fees which were approved in July 2022. The year on year increases in 2024 is reflective of committee membership changes during the year.
14. Ms. Bradley was appointed as a member of the Board on 30th March 2021 and therefore no pre-2021 data is available for comparative purposes. Remuneration for 2021 was annualised for the purposes of the above. The year on year increases in 2022 and 2023 respectively are reflective of the increase in board remuneration fees which were approved in July 2022. The year on year decrease in 2024 is reflective of the windup of the Project Sun Oversight Committee at the end of 2023, of which Ms Bradley was a member.
15. Ms Moroney was appointed as a member of the Board on 12th December 2023 and therefore no data is available for comparative purposes prior to that. Remuneration for 2023 was annualised for the purposes of the comparison to 2024.
16. Mr Gildea was appointed as a member of the Board on 12th December 2023 and therefore no data is available for comparative purposes prior to that. The year on year increases in 2024 is reflective of committee membership changes during the year. Remuneration for 2023 was annualised for the purposes of the comparison to 2024.
17. The change in average remuneration is based on the annual employee costs (excluding social welfare and directors' remuneration) divided by the average number of employees.
18. Operating profit/loss before exceptional items. See page 410 for a reconciliation of underlying profit to operating profit on an IFRS basis.
19. Defined as total operating expenses (excluding exceptional, other non-recurring items, bank levy and regulatory charges) divided by total operating income.

Voting Results from the Annual General Meeting

At the 2024 AGM, held on 15 May 2024, shareholder approval on an advisory basis was sought for the 2024 Directors' Report on Remuneration. At the AGM in 2024, 99.7% of votes cast were in favour of the resolution.

Also, in accordance with the Shareholder Rights Directive, every four years, shareholder approval on an advisory basis is sought on the Directors' Remuneration Policy. Shareholder approval for the Directors' Remuneration Policy was last granted at the AGM in 2024 which was approved by 99.7% of shareholders at that time.

The Bank takes the views of shareholders on our approach to remuneration into account on an ongoing basis and welcomed the strong support received for both resolutions.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with IFRS as adopted by the European Union and applicable law including Article 4 of the IAS Regulation. The Directors have elected to prepare the Company financial statements in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of Companies Act 2014.

Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or Company or to cease operations, or have no realistic alternative but to do so.

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements are prepared in accordance with the applicable accounting framework and comply with the provision of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014 including Article 4 of the IAS Regulation. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014. They are also responsible for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

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

Each of the Directors, whose names and functions are listed on pages 79 to 83 of this Annual Report, confirm that, to the best of each person's knowledge and belief:

- The Group financial statements, prepared in accordance with IFRS as adopted by the European Union and the Company financial statements prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of Companies Act 2014, give a true and fair view of the assets, liabilities, and financial position of the Group and Company at 31 December 2024 and of the profit or loss of the Group for the year then ended;
- The Directors' report contained in the annual report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risk and uncertainties that they face;
- The Sustainability Statement contained in the Directors' report is prepared in accordance with ESRS and Article 8(4) of Regulation (EU) 2020/852 and our responsibilities for the sustainability statement are discussed in full in our statement of directors' responsibilities for the sustainability statement in the annual report on page 136; and
- The Annual Report and financial statements, taken as a whole, provides the information necessary to assess the Group's performance, business model and strategy and is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Julie O'Neill
Chairperson

Eamonn Crowley
Chief Executive

Barry D'Arcy
Chief Financial Officer

Conor Ryan
Company Secretary

3 March 2025

Sustainability

Sustainability

Our Commitment to Building a Sustainable Business

'We have made notable progress in integrating sustainability into all areas of our business, introducing consideration into our strategic decision-making, risk management processes, data strategy, external reporting practices and approach to product and proposition design.

As we look forward, we are committed to creating capacity and building a robust long-term strategic approach to sustainability that considers both the needs of our colleagues, customers and wider society, as well as the opportunity to deliver sustainable business growth.'

Eamonn Crowley, Chief Executive Officer

Sustainability Strategy Progress & Future Direction

Since the launch of our first Sustainability Strategy in 2021, we have made considerable progress in enhancing our capability and putting sustainability at the centre of how we run and grow our business. Key progress includes:

- Embedding consideration for sustainability into all areas of our business;
- Meeting sustainability-related regulation and mitigating against ESG risk;
- Ensuring that our workforce have the right knowledge and capability to deliver our sustainability objectives;
- Enhancing mortgage and retrofit propositions for personal customers; and,
- Introducing sustainability propositions for our Business Banking customers.

Over the coming months, we will be launching our Sustainability Strategy 2025-2027 to the market. The Strategy has been informed by the outputs of the Double Materiality Assessment outlined in our Sustainability Statement. It will provide an overview of the Bank's long-term strategic approach to sustainability, considering both the needs of our stakeholders, as well as the opportunity to diversify our income and direct capital towards areas that enhance societal wellbeing.

The following is a summary of progress made under each of the four pillars of the Bank's Sustainability Strategy during 2024.

Impact in Action

Addressing Climate Change and Supporting the Transition to a Low Carbon Economy

A Board approved Sustainability Strategy aligned to the UN SDGs* Appointment of a Chief Sustainability and Corporate Affairs Officer to deliver on the Bank's Sustainability Strategy €875 million in green lending during 2024, +28% YoY, accounting for 43% of new Mortgage Lending	• First lender to participate in the SBCI's Home Energy Upgrade Loan Scheme, offering €100 million in loans • Participation in the SBCI's Growth and Sustainability Loan Scheme, offering €70m in loans • Inaugural €500m Green Senior HoldCo notes issued under the Bank's Green Bond Framework • Disclosing the Bank's carbon impact across Scope 1, 2 and 3 (including financed emissions) and developing Science-Based Targets (SBTs) and a corresponding Carbon Reduction Plan • Continuing to embed our Sustainable Supplier Charter • A 'Low' ESG Risk Rating through Sustainalytics • Issuance of the Bank's inaugural Sustainability Statement aligned to the Corporate Sustainability Reporting Directive

Elevating Our Social Impact and Connecting with Local Communities

€19.4 million in funding provided to the Social Finance Foundation since 2009**

€360,000 in charitable giving through the PTSB Community Fund in 2024, which included matched funding by the Bank

More than 2,000 volunteering hours provided on the ground last year, equating to c.€67,000 of in-kind giving.

- 600 students completing LIFT Ireland's 'Minding Our Futures' Schools Programme, proudly supported by PTSB
- Title Sponsorship of the Irish Olympic Team and the Irish Paralympic Team for the 2024 Games in Paris
- Multi-year partnership with AsIAm – Ireland's Autism Charity
- First Bank in Ireland to receive Autism-Friendly Branch accreditation
- Partnership with Dublin City University (DCU) through its Access Programme
- 12,000 financial reviews completed last year, supporting customers in taking control of their financial future

Enhancing Our Culture and Investing in Our People

A Diversity, Equity, and Inclusion Strategy supported by five Employee Resource Groups – LiveWell, PRISM, DiCE, Adapt and Better Balance

88% of employees feel comfortable to be themselves at work regardless of background or life experiences

60% Female Board Gender Composition and 40% of Senior Leadership positions filled by Women

- A Mean Gender Pay Gap of 16.9% and a Median Gender Pay Gap of 11.6%
- 76% Culture Index Score, +6% above our Culture Index Target of 70%
- Awarded The KeepWell Mark™, the Irish Business and Employer's Confederation's (IBEC) industry accreditation standard that recognises commitment to employee wellbeing and workplace health
- More than 100,000 hours of training delivered through the Bank's eLearning platform COMPASS in 2024
- 145 employees achieved an award by completing an Institute of Banking (IOB) programme of study, while a further 287 employees passed an exam on the pathway to completing an IOB programme of study
- More than 2,400 nominations received to our Values in Practice (VIP) Awards, the Bank's Colleague Recognition Programme.

Championing our Customers and Creating a Bank that is Fit for the Future

Relationship Net Promoter Score (RNPS)*** +10% YoY

19,000 Explore Current Accounts opened in 2024, with 61% of customer choosing to open them through digital channels

- A Digital Mortgage Application Journey
- Broadening our Business Banking offering through partnerships with Bibby Financial Services, the Strategic Banking Corporation of Ireland and Worldpay
- A focus on cyber security and data protection with training delivered to all colleagues
- The first Irish Retail Bank to be awarded the Guaranteed Irish Symbol, recognising our contribution to local communities across the country

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

** The Social Finance Foundation was established in 2007 by the Irish Government to address the needs of community organisations and social enterprises for loan funding which was difficult to obtain from mainstream financial institutions. Acting as a 'wholesaler', it provides funding to its lending partners Clann Credo and Community Finance Ireland.

*** Relationship Net Promoter Score (RNPS) measures the willingness of a customers to recommend a company's products or services to others.

Awards, Recognition and Pledges

Awards and Recognition in 2024

- Winner – Financial Services Loyalty Programmes/Initiative of the Year for PTSB's Explore Current Account, Irish Loyalty Awards, 2024
- Winner – Specialist Lender Award, FS Awards, 2024
- Winner – Brand Campaign of the Year, All Ireland Marketing Awards, 2024
- Winner – Gold for Best Brand Campaign, Digital Media Awards, 2024
- Winner – Silver Bell for Design (Rebranding Schemes) Permanent TSB becomes PTSB, Institute for Creative Advertising and Design (ICAD), 2024
- Winner – Bronze Bell for Art Direction - Moving with you Campaign (Mortgages), Institute for Creative Advertising and Design (ICAD), 2024
- Winner – Bronze for Best Use of AV, Media Awards, 2024
- Winner – Best Innovation Award for PTSB Protect, Bonkers Awards, 2024
- Winner – Customer Experience Team of the Year, Customer Experience Awards, 2024
- Winner – Best Customer Success Story, Customer Experience Awards, 2024
- Winner – Team of the Year for PTSB's Customer Service Team, Workplace Excellence Awards, 2024
- Winner – Colleague Engagement and Team Building, Workplace Excellence Awards, 2024
- Winner – Excellence in Learning and Development for PTSB's Digital and Direct Rising Stars Programme, Workplace Excellence Awards, 2024
- Winner – Best Use of Training and Development Strategies for Teams, Customer Experience Awards, 2024
- Winner – Elevating the Colleague Experience (Large Company), Chartered Institute of Personnel and Development (CIPD) Awards, 2024
- Winner – Diversity, Equality and Inclusion Initiative, Business and Finance ESG Awards, 2024
- Winner – Speaking Up and Psychological Safety Award for PTSB's DiCE Employee Resource Group, Irish Banking Culture Board (IBCB) Proud to Work in Banking Awards, 2024
- Winner – Ethical Behaviour Award for PTSB's People Experience Team, Irish Banking Culture Board (IBCB) Proud to Work in Banking Awards, 2024
- Winner – Most Innovative use of Technology, National Procurement Awards, 2024
- Winner – Best Community or Charity Engagement for the PTSB Community Fund, Bonkers Awards, 2024
- Winner – Best Sports Sponsorship for the Olympic Federation of Ireland's Dare to Believe Schools Programme, Irish Sport Industry Awards, 2024
- Winner – Who Won Sport Overall in 2024? Award, Who Won Sponsorship Series, 2024
- Winner – Who Won the Paris Summer Olympics 2024? Award, Who Won Sponsorship Series, 2024
- Winner – Who Won the Paris Summer Paralympics 2024? Award, Who Won Sponsorship Series, 2024
- Winner – Bronze for Best Storytelling Direction for 'Human Behind the Athlete' (Motherland Production Company for PTSB), Sharks, 2024

Pledges

Business in the Community Ireland's (BITCI) Elevate Inclusive Workplace Pledge:

PTSB has added our signature to BITCI's Elevate Pledge, committing to building inclusive workplaces that are representative of all members of our society. Workplaces have become more diverse, incorporating a multiplicity of backgrounds, experiences and identities. This has brought huge benefits to Irish business. However, diversity alone is not enough. Workplace inclusion is about creating a culture where everyone feels welcome, has access to opportunities and is supported to thrive.

Business in the Community Ireland's (BITCI) Low Carbon Pledge:

PTSB was pleased to add our signature to BITCI's Low Carbon Pledge, deepening our commitment to long-term sustainability and committing to new climate action goals. The Pledge focussed on setting carbon emission reduction targets based on science and includes measuring and reducing our carbon footprint in line with the Paris Agreement and the latest Intergovernmental Panel on Climate Change (IPCC) findings. The Bank was proud to add our signature to the Pledge, joining 68 other Irish businesses in committing to set robust carbon emissions reduction targets.

Science-based Targets

The Science-Based Target Initiative (SBTi) provides a pathway for companies to reduce greenhouse gas emissions, aiming to mitigate the severe impacts of climate change while ensuring sustainable business growth. Targets are deemed 'science-based' when they align with the latest climate science necessary to limit global warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement.

Following a significant programme of work, during 2024 the Bank worked to develop our science-based targets (SBTs) in line with the SBTi's Version 2 Guidance for Financial institutions. The work included the development of a corresponding Carbon Reduction Plan to support us in achieving our Targets once set. The Targets and Plan will be submitted to the SBTi during Q1 2025 for validation.

We will communicate our Targets once the validation process reaches completion.

For more on the Bank's SBTs, please refer to our Sustainability Statement beginning on page 140.

Disclosures and ESG Risk Ratings

Sustainability Statement and Double Materiality Assessment

The objective of the Sustainability Statement is to improve the existing requirements of the European Union's (EU) Non-Financial Reporting Directive, to better harness the potential of the EU in the transition to a fully sustainable and inclusive economic and financial system, in accordance with the European Green Deal and the United Nations' Sustainable Development Goals.

The Sustainability Statement introduces new mandatory reporting standards, the European Sustainability Reporting Standards (ESRS), which include two cross cutting and ten topical standards, plus sector specific/SME standards that are being developed for later issue.

Materiality determines which of topical standards, or elements within, are applicable to a company and must be disclosed.

During 2024, the Bank completed an exercise in double materiality in line with the expectations set out within the Directive. The exercise assessed both stakeholder impact and financial materiality of identified Impacts, Risks and Opportunities (IROs), to determine those that were most material to our business, and important to our stakeholders.

The findings highlighted E1-Climate Change, S1-Own Workforce, S4-Consumers and End-Users and G1-Business Conduct as topical standards that are material to PTSB.

The Bank has disclosed against these four material topics within our Sustainability Statement and have also disclosed against ESRS 2, which is mandatory for all in-scope companies.

To read PTSB's disclosure, which includes a detailed overview of the Bank's Double Materiality Assessment process, please refer to our Sustainability Statement beginning on page 140.

The findings from the Double Materiality Assessment have played an integral role in guiding an informing the next evolution of the Bank's Sustainability Strategy. This strategy will launch during 2025.

Task Force on Climate Related Financial Disclosures

In 2021, PTSB became a supporter of the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD is a climate-related financial disclosure framework designed to promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to better understand the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks.

The disclosure recommendations are structured around four thematic areas that represent core elements of how an organisation operates, including: governance, strategy, risk management and metrics and targets.

To read PTSB's 2024 TCFD Report, please refer to page 276.

EU Taxonomy

In accordance with Article 8 of the EU Taxonomy Regulation and the underlying Disclosures Delegated Act, PTSB is required to disclose KPIs related to the proportion of taxonomy-eligible (across all six environmental objectives) and taxonomy-aligned activities (for climate change mitigation, and climate change adaption) for year-end 2024.

You can view PTSB's 2024 EU Taxonomy disclosure on page 238.

Gender Pay Gap

We believe in being transparent about our gender pay gap and the journey we are on.

As a purpose driven organisation, Diversity, Equity, and Inclusion (DEI) is a core pillar of our culture. For the fifth year in a row, we are proud to publish our gender pay gap. This forms part of our commitment to hold ourselves accountable by tracking our progress against our action plan which we put in place as part of our Board approved DEI Strategy.

Our 2024 gender pay gap is as follows:

- Mean Gender Pay Gap 2024 – 16.9%
- Median Gender Pay Gap 2024 – 11.6%

An ESG Risk Rating Through Sustainalytics

PTSB engaged Sustainalytics, a leading independent ESG and Corporate Governance research ratings and analytics firm, to produce an ESG Risk Rating for the organisation. ESG Risk Ratings measure a company's exposure to industry-specific material Environmental, Social and Governance risks, to determine how well a company is managing those risks.

Following the process, the Bank received a 'Low' rating, recognising that enterprise value is considered to have a low risk of material financial impacts driven by ESG factors. Company ratings are categorised across five levels: negligible, low, medium, high, and severe.

The Business Working Responsibly Mark

Following a comprehensive programme of work, the Bank was proud to be certified with the Business Working Responsibly Mark (The Mark) from Business in the Community Ireland (BITCI) for the second time.

The Mark is an external accreditation recognising best in class Responsible Business Programmes in Ireland and as such, the Bank joins a prestigious group of only 38 other companies who have achieved this accolade. As part of this accreditation, our CEO, Eamonn Crowley sits alongside the CEOs of other member companies as part of the Leaders Group on Sustainability – a collaborative group who work with key stakeholders to drive ESG change across the country.

The Bank first received the Mark in 2020. We will continue to work alongside BITCI as we continue to embed our Sustainability Programme in the years that lie ahead.

Statement of Directors’ Sustainability Responsibilities

The Directors of the Entity are responsible for: preparing the Sustainability Statement in accordance with the relevant criteria, contained in the applicable sustainability reporting framework being Part 28 of the Companies Act 2014, the ESRS; the Taxonomy Regulations; and any additional criteria used by the Entity to supplement and/or interpret the sustainability reporting framework criteria. This responsibility includes:

- understanding the context in which the Entity’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity’s financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds;
- when relevant, using reasonable assumptions and estimates in preparing the Sustainability Statement. This includes the selection of different but acceptable estimation, approximation or forecasting techniques about forward-looking information;
- disclosing and reporting our double materiality assessment process in the Sustainability Statement in accordance with ESRS;
- ensuring the Entity maintains adequate records in relation to the preparation of the Sustainability Statement;
- disclosing that the scope of consolidation for the Sustainability Statement is the same as for the financial statements and disclosing to what extent the Sustainability Statement covers the Company’s upstream and downstream value chain (“the reporting boundary”);
- including material value chain information that meets the qualitative characteristics set out in ESRS in the Sustainability Statement when required by ESRS;
- appropriately referring to and describing the applicable criteria used;
- identifying the quantitative metrics and monetary amounts disclosed in the Sustainability Statement that are subject to a high level of measurement uncertainty;
- disclosing established targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures;
- describing the implemented due diligence process in respect of sustainability matters of the Entity;
- reporting and preparing forward-looking information, when applicable, on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Entity; and
- The Directors are also responsible for designing, implementing and maintaining such internal controls that they determine are relevant to enable the preparation of the Sustainability Statement in accordance with Part 28 of the Companies Act 2014 that is free from material misstatement, whether due to fraud or error.

On behalf of the Board

Julie O'Neill

Julie O’Neill
Chairperson

Eamon Crowley

Eamonn Crowley
Chief Executive

Barry D’Arcy
Chief Financial Officer

Conor Ryan
Company Secretary

3 March 2025

Independent Practitioner’s Limited Assurance Report

to the Directors of PTSB Group Holdings Plc Group PLC

Limited Assurance Report on the Sustainability Statement

Our limited assurance conclusion

We have performed a limited assurance engagement on the sustainability reporting included in the consolidated Sustainability Statement (‘Sustainability Statement’) of PTSB Group Holdings PLC and its consolidated undertakings (“the Group”) for the year ended 31 December 2024, prepared in accordance with Part 28 of the Companies Act 2014 and set out on pages 140 to 275, which is a dedicated section of the Directors’ Report.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group’s Sustainability Statement for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with Part 28 of the Companies Act 2014, including:

- the compliance of the Sustainability Statement with the European Sustainability Reporting Standards (ESRS);
- the process carried out by the Group to identify material sustainability related impacts, risks, and opportunities in accordance with ESRS;
- the compliance with the reporting requirements of Article 8 of Regulation (EU) 2020/852 (the “Taxonomy Regulations”); and
- compliance with the requirement to mark up the Sustainability Statement in accordance with Section 1600 of the Companies Act 2014.

Basis for our conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) (Ireland) 3000, as adopted by the Irish Auditing and Accounting Supervisory Authority (IAASA). Our responsibilities under this standard are further described in the section titled ‘Our responsibilities’ in this report.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that all errors or irregularities, if present, will be detected.

The Sustainability Statement includes prospective information such as ambitions, strategy, plans, expectations and estimates. Prospective information relates to events and actions that have not yet occurred and may never occur. We do not provide any assurance on the assumptions and achievability of this prospective information.

Our responsibilities under this standard are further described in the section titled ‘Our responsibilities’ in this report.

We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with, ethical requirements applicable in Ireland, including the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), the independence requirements of the Companies Act 2014 and the Code of Ethics issued by Chartered Accountants Ireland that are relevant to our limited assurance engagement of the Sustainability Statement in Ireland.

Our firm applies International Standard on Quality Management (ISQM) 1 (Ireland), Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASA. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter – Compliance with the requirement to mark-up the Sustainability Statement

We note that Section 1613(3)(c) of the Companies Act 2014 requires us to report on the compliance by the Group with the requirement to mark-up the Sustainability Statement in accordance with Section 1600 of that Act. Section 1600 of the Companies Act 2014 requires that the Directors’ Report is prepared in the electronic reporting format specified in Article 3 of Delegated Regulation (EU) 2019/815 and shall mark-up the Sustainability Statement. However, at the time of issuing our limited assurance report, the electronic reporting format has not been specified nor become effective by Delegated Regulation. Consequently, the Group is not required to mark-up the Sustainability Statement. Our conclusion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the assured parts of the Strategic Report set out on pages 2 to 67, the Governance section on pages 68 to 130, the Consolidated Financial Statements set out on pages 292 to 401, the Company Financial Statements on pages 402 to 408 and General Information set out on pages 410 to 421.

The Sustainability Statement and our Limited Assurance Report thereon do not comprise part of the other information. Our limited assurance conclusion on the Sustainability Statement does not cover the other information and we do not express any form of assurance conclusion thereon.

The comparative sustainability reporting in the Sustainability Statement included in the Directors’ Report for the period from 01 January 2023 to 31 December 2023 has not been part of the assurance engagement. Consequently, the comparative sustainability reporting and thereto related disclosures in the Sustainability Statement for this period are not assured.

Responsibilities for the Sustainability Statement

As explained more fully in the Statement of Directors' Responsibilities for the Sustainability Statement, the directors of the Group are responsible for:

- preparing, measuring, presenting and reporting the Sustainability Statement in accordance with the relevant criteria, contained in the applicable sustainability reporting framework being the ESRS, Part 28 of the Companies Act 2014; the Taxonomy Regulations; the requirement to mark up the Sustainability Statement in accordance with Section 1600 of the Companies Act 2014; and any additional criteria used by the Group to supplement and/ or interpret the sustainability reporting framework criteria; and
- developing, implementing and reporting its double materiality assessment process to identify the information reported in the Sustainability Statement in accordance with ESRS and for disclosing this process in the Sustainability Statement. This responsibility includes identifying and engaging with the Group's stakeholders as identified in the Group's double materiality assessment process (stakeholders) to understand their information needs.

Inherent limitations in preparing the Sustainability Statement

We obtained limited assurance over the preparation of the Sustainability Statement in accordance with the Companies Act 2014. Inherent limitations exist in all assurance engagements.

There are inherent limitations regarding the measurement or evaluation of the Sustainability Statement subject to limited assurance, which have been set out below:

- Estimates, approximations and/ or forecasts used by the Group in preparing and presenting their Sustainability Statement are subject to significant inherent uncertainty. The extent to which the Sustainability Statement contains, qualitative, quantitative, objective, subjective, historical and prospective disclosures, also represents a significant degree of uncertainty. The selection by management of different but acceptable estimation, approximation or forecasting techniques, could have resulted in materially different amounts or disclosures being reported. For the avoidance of doubt, the scope of our engagement and our responsibilities will not involve us performing work necessary for any assurance on the reliability, proper compilation, or accuracy of the prospective information.
- In determining the disclosures in the Sustainability Statement, management of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.
- Certain metrics reported within the Sustainability Statement may be subject to inherent limitations, for example, value chain information relating to emissions data provided by third parties.
- Where estimated, approximated and/ or forecast information is provided by management in respect of value chain information, the verification or benchmarking of this information is subject to a high degree of uncertainty and the actual value chain information may be different to the estimated, approximated or forecast value chain information provided by management
- When applicable, as described in your disclosures relating to ESRS E1 Climate Change, GHG emissions quantification is subject to significant inherent measurement uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values to combine emissions of different gases. Greenhouse gas quantification is unavoidably subject to significant inherent uncertainty as a result of both scientific and estimation uncertainty. Estimation uncertainty can arise because of:

1. The inherent uncertainty in quantifying inputs, such as activity data and emission factors, that are used in mathematical models to estimate emissions (measurement uncertainty);
2. the inability of such models to precisely and accurately characterise under all circumstances the relationships between various inputs and the resultant emissions (model uncertainty); and
3. the fact that uncertainty can increase as emission quantities with different levels of measurement and calculation uncertainty are aggregated (aggregation uncertainty).

- The self-defined nature of the Basis of Preparation, the nature of the sustainability matters, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies develop.

Our responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement in scope of our conclusion, is free from material misstatement, whether due to fraud or error, and to issue a Limited Assurance Report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users on the basis of the Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE (Ireland) 3000, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.

- Design and perform procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Design and perform procedures to evaluate whether the Sustainability Statement has been prepared in accordance with the ESRS, which includes the process carried out by the Group to identify material sustainability related impacts, risks and opportunities.
- Design and perform procedures to evaluate whether the Sustainability Statement has been prepared in in compliance with the Taxonomy Regulations.
- With respect to our conclusion in respect to the Group's reporting obligations and responsibility to mark up the Sustainability Statement in accordance with Section 1600 of the Companies Act 2014, we assess whether we have become aware of anything to suggest that the Sustainability Statement has not been prepared, in all material respects in this specified format. However, as explained in the 'Other matter- Compliance with the requirement to mark-up the Sustainability Statement' section of our assurance report, the Group is not currently required to mark-up the Sustainability Statement.

Summary of the work performed
A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

In conducting our limited assurance engagement, the procedures we have performed included the following:

- Obtaining an understanding of the Sustainability Statement reporting process performed by the Group, including the preparation of the Sustainability Statement.
- Obtaining an understanding of the Group's double materiality assessment process by performing inquiries to understand the sources of the information used by management and reviewing the Group's internal documentation of this process; and evaluating whether the evidence obtained from our procedures about the Group's process is consistent with the description of the process set out in the Sustainability Statement;
- Performing risk assessment procedures to understand the Group and its environment, including the Group's reporting boundary, its value chain information and identify risks of material misstatement;
- Designing and performed further assurance procedures (which included inquiries and analytical procedures) to respond to the identified risks of material misstatement; and
- Evaluating the overall presentation of the Sustainability Statement, and considering whether the Sustainability Statement as a whole, including the sustainability matters and disclosures, is disclosed in accordance with the applicable criteria.

The purpose of our limited assurance work and to whom we owe our responsibilities.
Our report is made solely in accordance with Section 1613 of the Companies Act 2014 to the Directors of the Group.

Our assurance work has been undertaken so that we might state to the Directors those matters we are required to state to them in a limited assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and its Directors, as a body, for our limited assurance work, for this report, or for the conclusions we have formed.

P. Carroll

Patricia Carroll
For and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
3 March 2025

Sustainability Statement

In accordance with Section 1592 Part 28 of the companies Act 2014, the Group has prepared a Sustainability Statement for the year ended 31 December 2024. This Sustainability Statement is set out on pages 136 to 275 and represents a dedicated section of the Director's Report. The following abbreviations are used throughout the statements to support navigation of the disclosure.

BP	Basis for Preparation
E1	ESRS E1 - Climate Change
ESRS	European Sustainability Reporting Standards
G1	ESRS G1 - Business Conduct
GOV	Governance
IRO	Impacts, Risks and Opportunities
MDR	Minimum Disclosure Requirements
MDR -A	Minimum Disclosure Requirements (Actions)
MDR-P	Minimum Disclosure Requirements (Policies)
MDR-M	Minimum Disclosure Requirements (Metrics)
MDR-T	Minimum Disclosure Requirements (Targets)
S1	ESRS S1 - Own Workforce
S4	ESRS S4 - Consumers and End-Users
SBM	Strategy and Business Model

Sustainability Statement
ESRS 2 General Disclosures

Basis for preparation

BP-1 General basis for preparation of sustainability statements

This disclosure has been prepared on a consolidated basis, incorporating Permanent TSB Group Holdings plc and its subsidiary undertakings (herein 'PTSB' or 'the Bank'). The scope of consolidation for this disclosure is the same as for the financial statements. The Sustainability Statement has been prepared in accordance with Part 28 of the Companies Act 2014. The Sustainability Statement is a dedicated section of the Report of the Directors Report on pages 140 to 275.

As part of the Bank's Double Materiality Assessment (DMA) that was performed to assess sustainability-related Impacts, Risks and Opportunities (IROs), PTSB considered its value chain, beyond its own operational footprint. This included upstream actors (for example, investors and suppliers), downstream actors (for example, customers and the environment), and the Bank's own operations.

PTSB recognises the importance of its relationship with actors across its value chain and has developed a range of Policies that supports the Bank in engaging with them in an effective way, as outlined at ESRS 2-MDR-P. Details of any associated actions and targets, are disclosed within the Minimum Disclosure Requirement (MDR) sections.

PTSB has not omitted any information corresponding to intellectual property, know-how or the results of innovation. Similarly, the Bank has not omitted impending developments or matters in the course of negotiation.

BP-2 Disclosures in relation to specific circumstances

In preparation of the Bank's DMA, PTSB used the time horizons as defined in ESRS 1.

The Bank recognises that the time horizons that it uses for CR&E risk are not aligned to the DMA time horizons disclosed within the Sustainability Statement. This is a result of assessment activities being completed at different intervals, with some being conducted earlier in the year.

The time horizons utilised in our assessments are outlined below:

Assessment Time Horizon	Short-term	Medium-term	Long-term
Double Materiality Assessment (Sustainability Statement)	0-1 years	1-5 years	5+ years
Climate-Related and Environmental Risk (TCFD Report)	0-3 years	3-5 years	5+ years

As part of this disclosure, the value chain-related metrics include Scope 3 emissions. The basis of preparation for these metrics, as well as the associated caveats, are outlined in E1-4.

The only quantitative metrics subject to estimation relate to the Bank's Scope 3 Financed Carbon Emissions. Details of the methodology applied are referenced in section E1-4 related to climate change mitigation.

PTSB has not included any voluntary disclosures within this Sustainability Statement.

PTSB has not incorporated any disclosures by reference within this Sustainability Statement.

Governance

GOV-1 The role of the administrative, management and supervisory bodies

PTSB defines its administrative, management, and supervisory (AMS) bodies as the Board, the Executive Committee, and their respective Sub-Committees. The Board's Sub-Committees include the Audit Committee, Risk and Compliance Committee, Remuneration Committee, and the Nomination, Culture, and Ethics Committee. The Executive Committee's sub-committees include the Sustainability Committee, which is responsible for the delivery of the Bank's Sustainability Strategy by ensuring that there is sufficient oversight, alignment, governance and challenge of activity across key areas of focus for the Bank's overall sustainability programming.

PTSB's Board of Directors (Board) is comprised of 11 members; two Executive Directors and nine Non-Executive Directors (of which seven are Independent)

	Board	Executive Committee	Board Audit Committee	Risk and Compliance Committee	Remuneration Committee	Nomination, Culture and Ethics Committee	Sustainability Committee
Number of Executive Directors	2	9	-	-	-	-	8
Number of Non-Executive Directors	9	-	5	5	4	5	8
Total	11	9	5	5	4	5	16
Male	5	7	2	2	1	2	11
Female	6	2	3	3	3	3	5

Note: Representation of employees and other workers occurs on an ad-hoc basis.

The PTSB Board's gender diversity ratio is 6:5 Female to Male Ratio.

The Board is responsible for setting, approving and overseeing the implementation of the overall business strategy and the key policies/frameworks of the Bank within the applicable regulatory and legal requirements, taking into account the Bank's long-term financial interests and solvency. The Board will set, approve and oversee implementation of the Bank's risk strategy, including the risk appetite and risk management framework, and monitor the implementation of risk culture within the Bank, and consider the impact of risk culture on the financial stability, risk profile and robust governance of the Bank and recommend amendments where necessary. The relevant experience of each Board member in relation to the Bank's sectors, products and geographical location is outlined below.

Name	Role	Relevant Sector, Product and Geographical Experience
Julie O'Neill	Chair/ Independent Non-Executive Director	• An accomplished business leader with extensive Executive and Board experience, having held a number of senior government positions. • Extensive business and leadership experience and brings an in-depth knowledge of the Bank and wider banking/insurance industry to the Board.
Eamonn Crowley	Chief Executive Officer (CEO) Executive Director	• Extensive international banking, accounting, corporate treasury and leadership experience with a significant customer focus which is reflected in the Bank's Purpose, Ambition and Strategy to build trust and grow a sustainable bank for the longer-term. • Stakeholder management experience with particular focus of building effective relationships with colleagues, regulators, government and markets (shareholders, investors and analysts). • An accomplished business leader who takes a broad perspective and has a deep commitment to both organisational culture and operational transformation for the benefit of key stakeholders such as shareholders, customers, colleagues.
Barry D'Arcy	Chief Financial Officer (CFO) Executive Director	• A CIMA Fellow and qualified Chartered Global Management Accountant (FCMA, CGMA). • A finance and risk professional with significant banking and leadership experience having worked in the Commercial and Retail Banking sector in Ireland for more than 15 years. • Brings a wealth of financial, risk, commercial, strategic, operational and regulatory knowledge to the Bank. • Experience in delivering large complex programmes successfully. Barry was appointed CFO in February 2025, having joined the Bank as CRO in October 2023.
Dr Ruth Wandhöfer	Independent Non-Executive Director	• Substantial banking and leadership experience with extensive knowledge of both regulatory and market strategy. • Insight on regulatory and financial technology innovation providing invaluable insight for the Board as it provides oversight for the Bank's digital and payments transformation programmes.
Ronan O'Neill	Independent Non-Executive Director	• A chartered accountant, with extensive banking and leadership experience with a particular competency in finance, risk and treasury. • Strategic and corporate development insights providing challenge and support to the development of the Bank's organisational change programmes.

Name	Role	Relevant Sector, Product and Geographical Experience
Anne Bradley	Independent Non-Executive Director	• Broad Executive and Non-Executive leadership and advisory experience having led strategy development in technology and business transformations, Executive leadership and strategy development. • Experience centered on transformation and business change, resilience, emergency response, technology evaluation, crisis management, operational efficiency, and IT infrastructure. • Cross-industry skills in stakeholder management, risk management, corporate governance and technology-enabled transformation benefits the Board as the Bank's strategy and change programmes evolves at an ever increasing pace.
Celine Fitzgerald	Independent Non-Executive Director	• Led culture transformation in challenging environments. • Practical experience of handling ethical challenges in the charity sector during her time as Managing Director of Goal. • In-depth understanding of strategic differentiation to deliver customer value.
Catherine Moroney	Independent Non-Executive Director	• Extensive experience in retail, corporate and business banking and an accomplished business leader who has spent a large portion of her career at Senior Executive level in the Irish financial services sector. • Expertise in leading customer-facing businesses with a focus on strategic planning, business growth, innovation, transformation and sustainability.
Richard Gildea	Independent Non-Executive Director	• Former Independent Non-Executive Director at Alpha Bank (a domestic and international bank listed on the Stock Exchange in Athens) where he chaired the Remuneration Committee and was a member of the Risk Committee, with a particular focus on non-performing loan risk management. • Deep experience of client coverage and risk management together with capital markets.
Paul Doddrell	Independent Non-Executive Director	• Significant Executive leadership experience spanning finance, asset servicing, lending, operations, and sales with specific management expertise in business strategy development and execution, risk management and change management. • Provides strategic insights and experience particularly in the area of mortgage servicing and credit provide core skills which the Board requires. • Experience operating at Executive Management level in a number of organisations globally.
Marian Corcoran	Independent Non-Executive Director	• Broad Executive and Non-Executive leadership and advisory experience having led strategy development in technology and business transformations, executive leadership and strategy development. • Wide-ranging experience in advising and leading transformational programmes across in multiple industries, including banking. • Cross-industry skills in stakeholder management, risk management, corporate governance and technology-enabled transformation benefits the Board as the Bank's strategy and change programmes evolves at an ever increasing pace.
Conor Ryan	Company Secretary	• Responsible for advising the Board, through the Chairperson, on all governance matters. • Align the interests of different parties around the boardroom table, facilitate dialogue, gather and assimilate relevant information, and support effective decision-making.

PTSB's Governance Structure

The DMA conducted as part of the CSRD process to identify material sustainability-related IROs was finalised during the second half of 2024. The IROs that were identified through the process all relate to topics that the Bank is familiar with, and many are covered by existing Policies as outlined in the respective MDR sections.

The Committees that monitor Risks and Opportunities are outlined below and also consider the relevant outputs of the DMA on a go forward basis. While the Bank considers the important role it plays in society in the development and delivery of its strategy, as well as the mitigation of both financial and non-financial risks, the definition of formal 'Impacts' is new terminology for PTSB. Based on the DMA outputs, we will review the opportunity to incorporate sustainability-related Impacts into the appropriate governance structures (including updating its Committee Terms of Reference) with the view of including the concept of sustainability-related Impacts, as appropriate.

This will be supported by the ongoing delivery of 'Our Customer Yes' Checks, which are designed to help us weigh up the impact of our decisions and consider the consequences before we make them. 'Our Customer Yes' Checks encourage the Bank to reflect on the impact of a proposal or delivery of an initiative through various different lenses, including sustainability.

The Board is collectively responsible for the governance of the Bank. Various Committees assist the Board and Executive Committee in managing and monitoring the risks and opportunities that sustainability (including CR&E risk) present.

Within the Bank, sustainability is coordinated and managed at an enterprise-level via a central Sustainability Function, with the wider Bank functions being responsible for managing different sustainability risks and opportunities.

The PTSB Group Governance Structure

The Board Committees with sustainability oversight responsibility can be found below.

Board Audit Committee (BAC)
The BAC is responsible for overseeing the process of disclosure and communication with external stakeholders and competent authorities, which includes sustainability disclosures.

Board Risk and Compliance Committee (BRCC)
The BRCC has delegated responsibility from the Board to assess the impact of CR&E risk on the Bank's overall Risk Profile. The BRCC has approved and provides oversight on the execution of a bank-wide CR&E Risk Implementation Plan.

Nomination, Culture and Ethics Committee (NomCo)
The NomCo is the overarching Board advisory committee responsible for the review, design, implementation, and effectiveness of the Bank's Sustainability Strategy. A key pillar within the Bank's Sustainability Strategy is 'Addressing Climate Change and Supporting the Transition to a Low Carbon Economy', which includes a focus on CR&E risk.

Executive Management Oversight

The Executive Committee (ExCo) is the Senior Management Committee of PTSB with authority to operate and make decisions within limits set by the Board. This will include consideration of the Bank's sustainability-related IROs.

The ExCo is the custodian of the Bank's collective Strategic Portfolio, Medium Term Plan (MTP) and Risk Management, as developed through the annual Strategic Planning Process (SPP). The ExCo is the accountable body for the Bank's operations, compliance and performance; defining the organisation's organisational structure; ensuring the adoption, application and maintenance of all standards set by the Board; and a forum for bank-wide colleagues and other functional issues and ensuring that a robust and resilient operating framework exists within which PTSB's activities are undertaken. The ExCo is the ultimate management committee responsible for the development and implementation of the Bank's Sustainability Strategy and the management of CR&E risk.

The ExCo meets frequently to discuss business strategy, planning, change management, financial planning, risk management, operations, and performance. During 2024, the ExCo met at regular intervals to receive updates in relation to sustainability. Meetings took place at least once per quarter, and more often as required with updates being provided as part of scheduled ExCo sessions.

The management level roles and responsibilities are outlined below, as is the detail on the management committees with sustainability-related responsibilities.

The Chief Executive Officer (CEO) is responsible for championing PTSB's Sustainability Strategy and climate action agenda. The CEO sits on the Board, is Chair of the ExCo and attends the NomCo as requested. The CEO is responsible for assessing and managing CR&E risks and opportunities and is a member of the Sustainability Committee (SusCo).

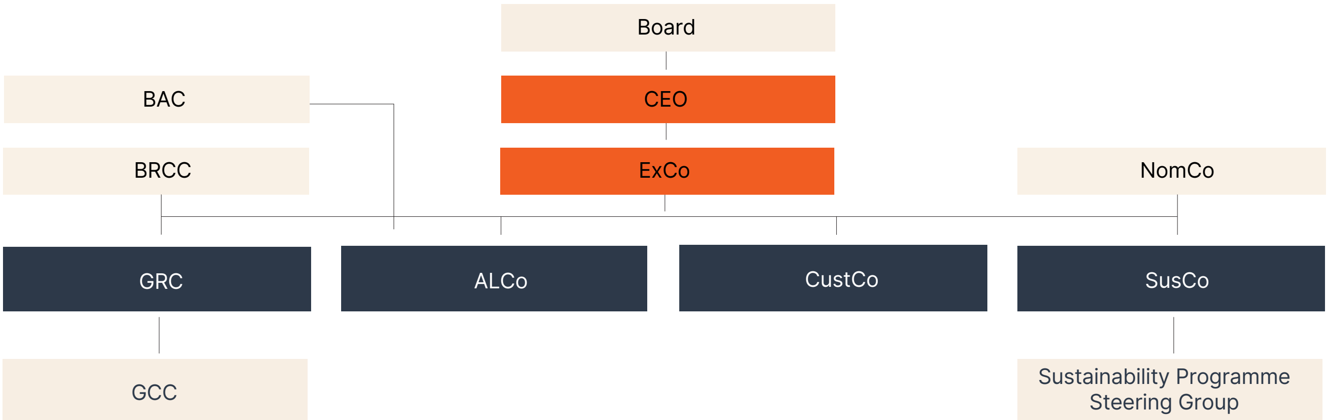
The Chief Financial Officer (CFO) is responsible for the Bank's financial planning including capital management and all external reporting and disclosures for PTSB. The CFO is responsible for oversight and reporting of climate-related disclosures. The CFO reports directly to the CEO and sits on the ExCo and the Board of PTSB. The CFO is also an attendee of the BAC, the Committee who oversee material climate-related disclosures. The CFO is a member of the SusCo.

The Chief Risk Officer (CRO) is responsible for assessing the impact of CR&E risk on the Bank's overall Risk Profile and supports the CEO in overseeing PTSB's Sustainability Strategy and climate action agenda. The CRO attends the Board to present their monthly CRO Report, which includes an update on CR&E risk, is a member of the ExCo and attends the BRCC, which has delegated responsibility from the Board to assess the impact of CR&E risk on the Bank's overall Risk Profile. The CRO is a member of the SusCo.

The Chief Sustainability and Corporate Affairs Officer (CSCAO) is responsible for leading the development and implementation of the Bank's Sustainability Strategy in line with regulation and supervisory expectation, while ensuring all activity is aligned with the Bank's overarching Business Strategy and Purpose. The CSCAO sits on the ExCo of the Bank and reports directly to the CEO. The CSCAO chairs the SusCo.

The Chief Customer and People Officer (CCPO) is responsible for developing and implementing key elements outlined in the Bank's Sustainability Strategy, for example the delivery of sustainable finance products and propositions that support the Bank's customers in transition. The CCPO is a regular attendee of the NomCo and is a member of the Bank's ExCo.

PTSB's Corporate Governance Structure - Sustainability



PTSB's DMA was completed during the second half of 2024 and identified the sustainability-related IROs that were material to the Bank. While the themes identified are familiar to the Bank, formal integration of the DMA output into internal functions and controls will follow the Bank's Three Lines of Defence Model as outlined below. No formal interaction on policies, actions and targets related to these outputs was conducted with the Board or ExCo or their associated Sub-Committees during 2024. However, the policies, actions and targets that were already in existence and overlap with the IROs are detailed throughout the MDR sections of this Sustainability Statement.

Each Line of Defence performs its duties by identifying and assessing sustainability matters, analysing the relevance of risks, evaluating the impact on the Bank's operations and business and formulating control measures and response strategies.

The First Line of Defence (1LOD Business Units and Functions), undertake frontline commercial and operational activities and their support function is responsible for identifying, owning, managing, monitoring, and mitigating against sustainability-related risk.

The Second Line of Defence (2LOD Risk and Compliance Function), ensure that all sustainability matters are identified, assessed, measured, monitored, managed, and properly reported on by the relevant business units from across the Bank.

As the Third Line of Defence (3LOD), Group Internal Audit provide 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, in relation to its sustainability matters.

The composition of the Board and its sub-committees is reviewed by the NomCo and the Board annually to ensure there is an appropriate mix of knowledge, experience, and skills. This detailed assessment considers tenure, succession planning, Board diversity and assessment of the continued collective suitability of the Board.

The wide range of knowledge, experience and skills encapsulated in the biographies are harnessed to the maximum possible effect in the deliberations of the Board. Having Directors with diverse backgrounds in areas such as risk management, banking, change management, digital/information technology (IT), strategy, finance, culture evolution, change management and auditing provides both subject matter expertise and facilitates a broad spectrum of review and challenge at Board meetings, particularly when addressing major issues affecting the Bank.

The Board has a formal and rigorous performance review process to assess the effectiveness of the Board, its Committees, the Chairperson and individual Directors. The performance evaluation is conducted internally on an annual basis, and externally facilitated every three years.

The Board regularly reviews the knowledge, experience and skills of its membership to ensure they are aligned with the current, emerging and future needs of the Bank. Knowledge of sustainability, and ESG is one of the lenses considered, and has been considered as part of Board Training Sessions during 2024.

Board and ExCo Training Sessions
Several training sessions were facilitated during 2024 to support ongoing business awareness and Director induction, as well as training and development requirements. Topics for training sessions are recommended by the NomCo and include a balance of technical, governance and professional development themes.

Training delivered during 2024 included:
- Cyber Security Awareness Training;
- Operational Resilience;
- IRB Capital Model Programme: Understanding Modelling Part;
- Capital Models Programme Update Part II;
- Annual Legal and Regulatory Update: Market Abuse Training and UK Corporate Governance Code;
- The implications of an effective ICAAP/ ILAAP to the Strategic Planning Process, Decision Making and Risk Management/Appetite;
- Anti-money Laundering, Anti-Bribery and Anti-Corruption Training (AML and CTF); and,
- Science Based Carbon Emission Reduction Targets and associated Carbon Reduction Planning.

In addition to this knowledge, the Bank engages an external third-party advisory firm to support ongoing sustainability upskilling across all management levels, while providing insight into market trends and guidance on impending regulation.

The Bank's material IROs from an ESRS reporting perspective cover Climate Change Mitigation, Own Workforce, Consumers and End-Users and Business Conduct. The cumulative experience of the Board covers all aspects of these topics.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The Bank's DMA was completed during the second half of 2024 and identified the sustainability-related IROs that were material to the Bank. As a result, no formal interaction on policies, actions and targets related to these outputs was conducted with the Board and the ExCo, or their associated sub-committees, during 2024. However, the material IROs identified by the DMA are all topics that are core to the Bank's Strategy and as such, are addressed as part of the existing governance structures.

The Board, ExCo and members of their associated Sub-Committees were engaged in the DMA process as outlined in ESRS 2 IRO-1. The formal identification of IROs was validated by the Bank's SusCo and shared with the GRC, ExCo and Board as part of the DMA process and formally signed off as part of the finalisation of the Bank's Sustainability Statement. The Bank will review its sustainability-related policies and corresponding implementation activity as part of its policy review cycle, as appropriate.

GOV-3 Integration of sustainability-related performance in incentive schemes

At present, the Bank does not have in place a Variable Pay Scheme (outside of a commission-based scheme in place in our Retail Banking Network), and therefore does not currently have a mechanism to directly link Executive pay to sustainability outcomes.

Under the leadership of the Chief Sustainability and Corporate Affairs Officer, a Head of Sustainability and supporting team are in place to manage and deliver the Bank's Sustainability Strategy. Similarly, under the leadership of the Chief Risk Officer, an Enterprise Risk Management Team and a Climate Risk Manager are in place to manage and deliver all CR&E risk programming.

Specific objectives aligned to the Bank's overall Sustainability Strategy are included within team member objectives, depending on their role within the function. Delivery of objectives is assessed through a formal performance review process that occurs at regular intervals throughout the year. Delivering on strategy, as well as the overall performance in the role, impacts the level of monetary base pay increase achieved.

The Bank is at an advanced stage of design of an enterprise-wide Variable Pay Scheme. This Scheme will include the delivery of sustainability factors as a key metric in determining the appropriate reward on a collective and individual basis. Further information on the structure of the Scheme will be included within the Bank's future Sustainability Statements as it becomes available.

GOV-4 – Statement on due diligence

Core Elements of Due Diligence	Paragraphs in the sustainability statements	
a) Embedding due diligence in governance, strategy and business model	ESRS 2ESRS 2-GOV-2 ESRS 2ESRS 2-GOV-3 ESRS 2-SBM-3	
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2-GOV-2 ESRS 2-SBM-2	ESRS 2-IRO-1 ESRS 2-MDR-P
c) Identifying and assessing adverse impacts	ESRS 2- IRO-1 ESRS 2- SBM-3	
d) Taking actions to address those adverse impacts	ESRS 2-MDR-A E1-MDR1-A E1-MDR2-A E1-MDR3-A E1-MDR4-A S1-MDR1-A	S4-MDR1-A S4-MDR2-A G1-MDR1-A G1-MDR2-A G1-MDR3-A
e) Tracking the effectiveness of these efforts and communicating	ESRS 2-MDR-M ESRS 2-MDR-T E1-MDR1-T E1-MDR2-T E1-MDR3-T E1-MDR4-T	S1-MDR1-T S4-MDR1-T S4-MDR2-T G1-MDR1-T G1-MDR2-T G1-MDR3-T

GOV-5 Risk management and internal controls over sustainability reporting

The Board Audit Committee (BAC) oversees the implementation of the Bank's financial and internal control policies, practices and decisions. It aims to align these with the Bank's Strategy and shareholder interests, while operating within applicable regulatory and legal requirements. Key responsibilities include:

- Monitoring the effectiveness and adequacy of internal control, internal audit, and IT systems, including those that deal with sustainability-related matters;
- Reviewing the effectiveness of risk management procedures;
- Reviewing the integrity of the Company's internal financial controls (including those related to sustainability), monitoring the integrity of the financial statements and sustainability reporting of the Company, and recommending approval of the Annual and Interim Reports to the Board;
- Considering the independence of the external auditors, and objectivity and effectiveness of the audit process;
- Monitoring and reviewing the effectiveness of the Internal Audit Function, safeguarding the independence of the Internal Audit Function and providing oversight of the function alongside the Head of Internal Audit;
- Reviewing instances of fraud, violations of laws and regulations as raised by the Head of Internal Audit; and,
- Ensuring an integrated approach to sustainability-related disclosure preparation and delivery and providing a link between the Board and the external auditors who provide assurance on disclosures, where it's required.

3. Strategy

SBM–1 Strategy, business model and value chain

PTSB is one of Ireland's longest serving financial services institutions tracing its operations back more than 200 years through the savings bank and building society movements. Throughout this time, our focus has been on delivering exceptional customer service and connecting with local communities. Today, PTSB is operating in 98 branch locations nationwide and is a leading provider of Personal and Business Banking services focused solely on the Irish Market. The Bank serves more than one million customers. As of the 31 December 2024, PTSB employed 3,457 employees (total Headcount as of 31st Dec 2024) and recorded revenues of €1,002m.

The Bank offers a broad range of banking products and financial services to its growing customer base including Current Accounts, Deposits, Residential Mortgages, Term Lending (Personal and Business), Credit Cards and Overdrafts.

Our upstream value chain includes regulators, investors and shareholders. Colleagues and suppliers are core to our operations, while customers and wider society are significant actors downstream. Our sustainability related IROs have considered these value chain actors throughout the process. The approach to stakeholder engagement throughout the DMA process is outlined in IRO-1.

As an organisation, we recognise that climate change creates financial risks and economic consequences, and the cost of inaction is far greater than the cost of action. Unaddressed, the financial implications from climate change will likely impact everyone, from governments to companies and families in communities across the country.

As such, managing CR&E risks and opportunities is a key area of focus for the Bank under the 'Addressing Climate Change and Supporting the Transition to a Low Carbon Economy' Pillar of our Sustainability Strategy. Through this Strategy, we are working to manage and mitigate CR&E risk, while also finding new and innovative ways to help our stakeholders to navigate the transition to a low carbon economy through our Green Product Strategy. For more information on CR&E risks please refer to E1-MDR3-A and for more on CR&E opportunities please refer to S4-MDR1-A.

Permanent TSB Group Holdings plc is a company whose shares are listed on the Main Market Stock Exchanges in Dublin and London. Permanent TSB plc (its subsidiary) is a licensed bank regulated by the Central Bank of Ireland.

In line with our Strategy, the Bank's Business Lending Credit Policy states that finance must not be provided to Borrowers that engage in Excluded Business Activities which the Bank deem to contribute to irreversible environmental and/or social harm to society, including non-renewable energy (for example, extraction of gas, oil, coal etc.). For more on our Business Lending Policy, please refer to ESRS 2- MDR-P.

The Bank does not derive any revenue from the following sectors: fossil fuel (coal, oil and gas); coal; oil; gas; Taxonomy-aligned economic activities related to fossil gas; chemicals production; controversial weapons; or, the cultivation and production of tobacco.

The Bank reports one operating segment which is in accordance with IFRS 8 'Operating Segments'.

A representation of PTSB's value chain was identified through a series of workshops with Senior Leaders representing Business Units from across the Bank. The final output of this exercise captured the key activities of the Bank, namely, Products and Propositions, Customer Fulfilment Management, and, Funding Activities. It also identified key value chain actors related to each activity, as well as those that were cross cutting (for example, colleagues and customers). Each value chain actor was considered in light of their potential to be a 'hotspot' (an actor exposed to the likelihood of actual and potential impacts) or a 'key dependency' (an actor who generates risks and opportunities for the undertaking which may be financially material).

We understand the importance of our role in Irish society, and as one of Ireland's three Pillar Banks, the responsibility that we have in enabling the financial wellbeing of our customers and communities.

Table for presenting information on employee Headcount

Employee Headcount 2024	Number of employees (Headcount) as of 31st December 2024	Average number of employees (Headcount) for 2024
Total employees*	3,457	3,442

* For the purposes of the Sustainability Statement, total employee figures are based on Headcount. The Bank also reports a Full Time Equivalent (FTE) figure of 3,359.

PTSB employees are all based in Ireland.

Our own operations are centered around our branch network, our colleagues and third-party suppliers who provide specific support and services.

In addition to our product offerings outlined above, we recognise and embrace the role we play in the community at both a local and national level. We have focused on creating a positive social impact through strong community partnerships and continuing to support local communities through PTSB Community programming.

SBM-2 Interests and views of stakeholders

We recognise that building strong relationships with our stakeholders, and ensuring that we engage with them regularly, plays a fundamental role in the delivery of our Business Strategy. It guides our reporting, allows us to identify risks and emerging trends, while helping us to prioritise investment and resourcing - ultimately, enabling us to conduct and manage all areas of our business in a more sustainable way.

As part of the development of this Sustainability Statement, the Bank engaged its stakeholders through the DMA process. This process ensured that stakeholders views were considered in identifying the ESG issues that are not only material to our business, but important to our stakeholders.

As part of the DMA the Bank engaged with the stakeholder groups listed below.

Internal

- Board
- Executive Committee
- Colleagues (including members of the Senior Leadership Team)

External

- Shareholders
- Brokers
- Retail Customers
- Business Banking Customers
- Asset Finance Customers
- Community Partners
- Oireachtas members
- Industry Influencers
- Media
- Suppliers (including Third Party Advisory Firms)

For more information, please refer to IRO-1. The findings of the DMA were insightful and will play an important role in informing the development of a refreshed Sustainability Strategy for the Bank during 2025. As appropriate, we will look to assess the effectiveness of this stakeholder engagement once the Strategy is launched.

Outside of the materiality exercise, we interact with our stakeholders at regular intervals during the year through the following:

- Customers – Voice of the Customer Programme, focus groups, surveys, in person through the branch network and through the Bank's online digital channels (website, app, customer contact centres etc.);
- Colleagues – Every Voice Counts Employee Engagement Survey, regular Micro-pulse Surveys, team meetings, virtual and in-person networking forums, internal intranet platform, a bank-wide communications platform and app, in-house digital screens, Employee Resources Groups, People Experience Council and other channels as appropriate;
- Investors Shareholders – AGM and shareholder services, financial reporting, roadshows, industry conferences and other channels as appropriate;
- Suppliers – Regular supplier engagement processes and procedures, supplier on-boarding and contracting and other channels as appropriate;
- Society – Political engagement and communications with the media through the Corporate Affairs Team, community partnership and charity engagement through the Bank's Community Fund channels and sponsorship rights engagement through the Bank's Brand and Marketing Team; and,
- Regulators – Regular engagement including regulatory reporting and other channels as appropriate.

Nomination, Culture and Ethics Committee (NomCo)

A key role of the NomCo is to ensure there is effective engagement with and participation from the Bank's key stakeholders.
Stakeholder relationship owners across the Bank interact with a variety of stakeholders at regular intervals throughout the year and provide regular updates to the Committee on same.
Key stakeholders for the group include shareholders, customers, colleagues, suppliers, society and the Bank's regulators.

These updates include information related to the views and interest of affected stakeholders, as appropriate.

Voice of the Customer (VOC)

VOC feedback is reported weekly to key stakeholders covering business functions across the Bank, including our customer facing teams, Senior Leadership Team and Executive Committee.

Speak Freely

The Bank has in place procedures to deal with any protected disclosures that may arise as part of Speak Freely and reports to the Executive Committee and Board on a half-yearly basis. You can read more about our commitment to Speak Freely in G1-1.

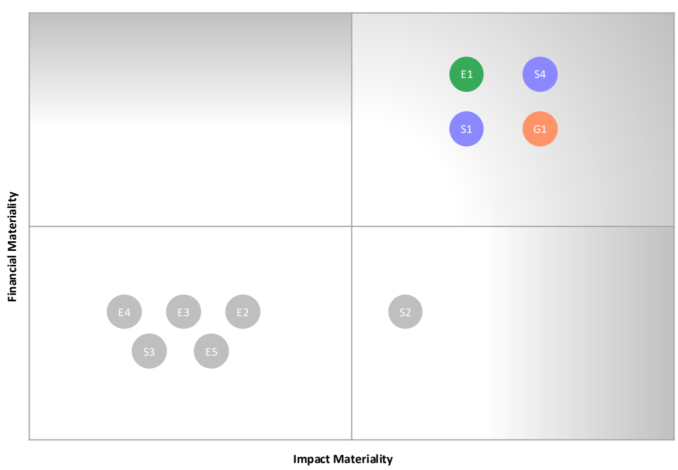
UK Corporate Governance Code

The UK Corporate Governance Code places an obligation on Boards to keep workforce engagement mechanisms under review so that they remain effective. Furthermore, the Code also states that where the Board chooses to implement alternative arrangements to those set out in the Code, it should explain in its Annual Report what alternative arrangements are in place and why it considers that they are effective. There are currently a number of ways the Board engages with the Bank's workforce and hears the employee 'voice' on an on-going basis through alternative arrangements to those set out in the UK Code.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

PTSB's material IROs cross several themes as outlined below. While this is the first time the Bank has completed an exercise in Double Materiality, the outputs of the process align to the areas that we have already prioritised as part of our wider Corporate Strategy.

Materiality Matrix



Note: The position of a topical standard does not denote significance of a standard relative to another in the same quadrant.

Materiality Threshold Indicator

A sustainability topic that is considered important to PTSB but has not been deemed material based on the outputs of the Double Materiality Assessment.

Material Impacts, Risks and Opportunities

- E1 **Climate Change Mitigation**
  - Own Emissions
  - Own Operations
  - Regulatory Risk
  - Product Financing
- E2 Pollution
- E3 Water and Marine Resources
- E4 Biodiversity and ecosystems
- E5 Circular Economy
- S1 **Own Workforce**
  - Working conditions including Diversity, Equity and Inclusion, Collective Bargaining, Adequate Wages, Health and Safety, Learning and Development, Remuneration and Human Rights
- S2 Workers in the value chain
- S3 Affected Communities
- S4 **Consumers and End-Users**
  - Housing
  - Customer Experience
- G1 **Business Conduct**
  - Compliance
  - Managing Suppliers
  - Sponsorships and Community Partnerships

Topics disclosed under ESRS 2

Basis of Preparation

Governance

Strategy and Business Model

Impacts, Risk and Opportunities

Minimum Disclosure Requirements

The time horizons outlined in the below table align to the time horizons in the DMA as outlined in ESRS 2-BP2.

IRO-Ref	IRO	Upstream/ Downstream	Description	Short (0-1yr)	Medium (1-5yrs)	Long (5+yrs)	Positive or Negative	Potential or Actual	E	S	G	MDR Reference
I-1	Impact	Downstream	The impact on the environment by considering climate change and energy use when financing projects.	✓	✓	✓	Both	Both	E1			E1-MDR4 (Product Financing)
I-2	Impact	Downstream	The impact PTSB has on the environment by reducing emissions, in business operations.	✓	✓	✓	Positive	Both	E1			E1-MDR1 (Own Emissions)
I-3	Impact	Own Operations	The impact PTSB has on its employees by ensuring adequate working conditions, equal opportunities for all, and protection of worker's rights.	✓	✓	✓	Both	Both		S1		S1-MDR1 (Working Conditions)
I-4	Impact	Downstream	The impact on society, and Consumers and End-Users from failing to implement appropriate measures to protect customer information and ensure vulnerable customers avail of PTSB's services.	✓	✓	✓	Negative	Potential		S4		S4-MDR2 (Customer Experience)
I-5	Impact	Downstream	The impact PTSB has on society and Consumers and End-Users by promoting financial wellbeing and providing customer supports.	✓	✓	✓	Positive	Both		S4		S4-MDR2 (Customer Experience)
I-6	Impact	Downstream	The impact on society and the environment due to the financing of criminal activity.	✓	✓	✓	Negative	Potential			G1	G1-MDR1 (Compliance)
I-7	Impact	Upstream	The impact on society and the environment by ensuring suppliers are appropriately managed.	✓	✓	✓	Positive	Both			G1	G1-MDR2 (Managing Suppliers)
I-8	Impact	Downstream	The impact PTSB has on society and local communities through engaging in community partnerships, providing charitable donations and delivering the Bank's sponsorship rights activity.	✓	✓	✓	Positive	Both			G1	G1-MDR3 (Sponsorships)

IRO-Ref	IRO	Upstream/ Downstream	Description	Short (0-1yr)	Medium (1-5yrs)	Long (5+yrs)	Positive or Negative	Potential or Actual	E	S	G	MDR Reference
O-1	Opportunity	Downstream	Providing sustainable products, propositions and funding activities which integrate environmental considerations can provide PTSB with a competitive advantage, meet customer demand and reduce PTSB's impact on the environment.	✓	✓	✓	n/a	n/a	E1			E1-MDR4 (Product Financing)
O-2	Opportunity	Own Operations	The opportunity for PTSB to reduce operational costs and improve its reputation by making internal investments/decisions that are considerate of the environment.	✓	✓	✓	n/a	n/a	E1			E1-MDR1 (Own Emissions)
O-3	Opportunity	Own Operations	A working environment that has appropriate working conditions, protects worker's rights, promotes inclusion and offers adequate training and innovation opportunities may lead to increased productivity, reduce costs and enhanced brand and reputation.	✓	✓	✓	n/a	n/a		S1		S1-MDR1 (Working Conditions)
O-4	Opportunity	Downstream	The opportunity for the Bank to enhance its' brand and reputation by providing exceptional customer experience.	✓	✓	✓	n/a	n/a		S4		S4-MDR2 (Customer Experience)
O-5	Opportunity	Downstream	Providing adequate housing via mortgage financing for customers across Ireland can lead to an enhanced reputation and increased market share.	✓	✓	✓	n/a	n/a		S4		S4-MDR1 S4-MDR1 (Housing)
R-1	Risk	Own Operations	Change Management: The risk arising from inability of the Bank to manage projects and changes to a high quality standard and in a timely and controlled manner, in particular for large and complex change programmes will not achieve the desired outcomes, will have a negative impact on resource levels of the Bank or in case of regulatory based requirements may result in fines or sanctions.	✓			n/a	n/a	E1			E1-MDR3 (Regulatory Risk)

IRO-Ref	IRO	Upstream/ Downstream	Description	Short (0-1yr)	Medium (1-5yrs)	Long (5+yrs)	Positive or Negative	Potential or Actual	E	S	G	MDR Reference
R-2	Risk	Downstream	Climate-related and Environmental Risk: The risk of financial loss or an adverse outcome arising from the consequences, likelihoods and a lack of inadequate response to the impacts of climate change.		✓		n/a	n/a	E1			E1-MDR3 (Regulatory Risk) & E1-MDR4 (Product Financing)
R-3	Risk	Upstream	Credit Risk: The risk of financial loss due to the failure of a customer, or counterparty, to meet their financial obligations to the Bank as they fall due.		✓	✓	n/a	n/a	E1			E1-MDR3 (Regulatory Risk)
R-4	Risk	Own Operations	Cyber Security Risk: The risk of unauthorised access, modification, malicious disruption or use of IT systems and data from within or outside the Bank (for example, cyber-attacks).	✓	✓		n/a	n/a		S4	G1	S4-MDR2 (Customer Experience) & G1-MDR1 (Compliance)
R-5	Risk	Upstream/ Own Operations / Downstream	Fraud Risk: The risk of losses or unplanned gains arising from acts intended to defraud, misappropriate property, circumvent regulations, the law or company Policy by either an internal party or external parties or a combination of both.	✓			n/a	n/a			G1	G1-MDR1 (Compliance)
R-6	Risk	Upstream	Outsourcing and Third-Party Risk: The risk of current or prospective loss or reputational damage connected with the engagement and management of third parties contracted internally or externally (for example, for the purposes of customer engagement, data processing, systems development, cloud services or information & Communication (ICT) systems), including lack of third party diversification, inadequate business continuity plans or insufficient monitoring and oversight of the engagement.	✓			n/a	n/a			G1	G1-MDR2 (Managing Suppliers)

IRO-Ref	IRO	Upstream/ Downstream	Description	Short (0-1yr)	Medium (1-5yrs)	Long (5+yrs)	Positive or Negative	Potential or Actual	E	S	G	MDR Reference
R-7	Risk	Own Operations	People Risk: The risk of financial, operational or reputational damage to the Bank arising from failure of the Bank to meet its employment obligations and duty of care to staff or the failure to ensure adequate resources and or skills are in place, that succession planning is not effective or that the operation of the Bank may be impacted by labour disputes.	✓			n/a	n/a		S1	G1	S1-MDR1 (Working Conditions) & G1-MDR1 (Compliance)
R-8	Risk	Own Operations	Process and Ability to Execute Risk: Process and execution risk can significantly impact PTSB's operational risk, leading to higher loss risk, impacting operational resilience, customer dissatisfaction, a loss of trust and limits the ability to realise stated ambition (especially against the risk of optimistic bias in forecasting). Risk is linked with internal complexity, a high volume of change, increasing collaboration with third parties and outsourcing providers, people risk and transition speed. Making end to end processes more digitally straight forward is necessary to reduce complexity and embed/automate controls, and consistent customer service quality.		✓		n/a	n/a			G1	G1-MDR1 (Compliance)
R-9	Risk	Own Operations	Regulatory Compliance Risk: The risk of material financial loss or liability, legal or regulatory sanctions, or brand damage arising from the failure to comply with or adequately plan for change to, official sector policy, laws, regulations, major industry standards, compliance policies and procedures or the expectations or customers and stakeholders.	✓	✓	✓	n/a	n/a	E1	S1	G1	E1-MDR4 (Product Financing) & E1-MDR3 (Regulatory Risk) & G1-MDR1 (Compliance) & S4-MDR2 (Customer Experience)

IRO-Ref	IRO	Upstream/ Downstream	Description	Short (0-1yr)	Medium (1-5yrs)	Long (5+yrs)	Positive or Negative	Potential or Actual	E	S	G	MDR Reference
R-10	Risk	Own Operations	Reputational and Conduct Risk: The risk of material financial loss or liability, legal or regulatory sanctions, or brand damage arising from the failure to comply with or adequately plan for change to, official sector policy, laws, regulations, major industry standards, compliance policies and procedures or the expectations or customers and stakeholders.		✓	✓	n/a	n/a	E1			E1-MDR4 (Product Financing)
R-11	Risk	Own Operations / Upstream	Service Availability: The risk that the performance and availability of IT systems and data are adversely impacted (for example, customer experience or business processes), including the inability to recover the Bank's services in a timely manner, due to a failure or IT hardware or software components; weaknesses in IT system management; or any other event.			✓	n/a	n/a	E1		G1	E1-MDR2 (Own Operations) & G1-MDR2 (Managing Suppliers)
R-12	Risk	Upstream / Own Operations	Business Risk: The risk that volumes may decline, margins may shrink or management costs may increase, arising from an underperforming Business Model and/or failure in the Bank's strategic ambitions.		✓	✓	n/a	n/a	E1			E1-MDR4 (Product Financing)

The Bank is involved in the identified material impacts through its business relationships, funding activity and through its role as a large-scale employer.

At this time, we don't expect that the Bank's identified sustainability-related risks will result in a material adjustment to the Bank's financial position including carrying amounts of assets and liabilities.

At present, the Bank does not yet formally use climate-related scenario analysis to assess business strategy resilience.

An updated CR&E Risk Materiality Assessment was completed in 2024 that adopted a forward-looking perspective using CR&E risk transmission channels to identify how CR&E risk drivers may manifest risk across other Risk Categories as defined in the Enterprise Risk Management Framework. In addition, CR&E risk was measured as part of the Bank's Operational and IT Risks Pillar 2 Internal Capital Adequacy Assessment (ICAAP).

For more information on the outputs of the Bank's Risk Materiality Assessment and ICAAP, please refer to E1-1.

All material IROs that have been identified are disclosed under the ESRS standards. There are no entity-specific disclosures included within this Sustainability Statement.

4. Impact, risk and opportunity management

4.1 Disclosures on the materiality assessment process

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

Facilitated by an independent Third Party to ensure confidentiality and impartiality, the Bank's DMA process involved the following process:

An initial sectoral review was completed to identify potential material sustainability topics. This review included an industry benchmarking exercise, as well as an analysis of regulatory and supervisory expectations aligned to the ESRS topics and sub-topics. In addition, a value chain was developed, challenged, and validated through a workshop process with representatives of functions from across the Bank. Potential 'hotspots' and 'key dependencies' were highlighted as part of value chain workshop process, which informed the value chain actors engaged as part of the wider DMA.

The outputs of the sectoral review, together with value chain 'hot spots' and 'key dependencies', formed the basis for an initial longlist of IROs. The assessment of PTSB's impacts were primarily informed by a sectoral review, which highlighted the actual and potential impacts on customers, colleagues and the environment as a result of the Bank's financing activities. Considerations of geography and specific business relationships were not identified as likely contributors. This longlist also incorporated existing resources (for example, enterprise risk management registers, strategic roadmaps and customer insights). Workshops with subject matter experts (SMEs) from across the Bank were held to draft, validate and produce a shortlist of sustainability related IROs. This shortlist of IROs formed the basis for stakeholder engagement.

Fourteen stakeholder cohorts were engaged through a combination of surveys, workshops and 1:1 interview in order to gain an understanding of the importance of the shortlisted sustainability-related topics to each cohort and provide an opportunity to seek feedback regarding potential topics that may have been omitted. Internal stakeholders were engaged with through 1:1 interview, workshops and a bank wide survey, while external stakeholders were engaged with exclusively through a survey.

The nature of each engagement is outlined below.

	Stakeholder	Engagement Method
Internal Stakeholders	Board	Survey
	ExCo	Interview
	Colleagues	Survey, Workshops
External Stakeholders	Shareholders	Survey
	Brokers	Survey
	Asset Finance Customers	Survey
	Personal Customers	Survey
	Business Customers	Survey
	Community Partners	Survey
	Industry Partnerships	Survey
	Oireachtas	Survey
	Industry Influencers	Survey
	Media	Survey
	Suppliers	Survey
	External Experts	Incorporated as part of advisory services

The results of this stakeholder engagement exercise were then integrated with internal stakeholder views to rank, and ultimately set thresholds to establish the Bank's material IROs and related sustainability topics. Assessment of sustainability-related matters (including impacts) sits within the remit of the Bank's External Reporting Workstream within the Sustainability Programme and established governance fora. The Bank's Sustainability Committee is responsible for final oversight.

Where possible, IROs were assessed by the Banks's SMEs using existing criteria.

Risks

Sustainability-related risks were deemed material if they mapped to an enterprise level risk, an emerging risk or a material CR&E risk. The threshold for shortlisting the material sustainability-related risks was developed based on this mapping. Where a longlist sustainability-related risk was sufficiently related to an enterprise level risk, an emerging risk or a material CR&E risk it was deemed material. This was validated through work with SMEs. No other thresholds were applied. The Bank views sustainability-risks as drivers of its current identified risks, as such the assessment of sustainability-related matters falls within the Bank's Enterprise Risk Management (ERM) process. In addition, the Bank conducted a CR&E Risk Materiality Assessment in 2024. The decision-making process follows the Bank's established governance fora and is in line with its Three Lines of Defence Model.

At this time, we don't expect that the Bank's identified sustainability-related risks will result in a material adjustment to the Bank's financial position including carrying amounts of assets and liabilities.

Impacts and Opportunities

Opportunities were assessed by SMEs leveraging elements of the Bank's internal opportunity evaluation framework. Impacts were also assessed by SMEs. Negative impacts were rated and ranked by considering their relative severity (scale, scope and remediation) and likelihood, while the prioritisation of positive impacts considered scale, scope and likelihood using a scoring matrix developed as part of the DMA process. During a workshop with SMEs, a threshold was established based on this scoring matrix.

Once potential and actual impacts were ranked, thresholds were applied by the Bank in order to determine materiality. The threshold setting process for Impacts and Opportunities considered the themes that were deemed to be potentially financially material taking into account the Bank's Enterprise Risk Management Framework, regulatory expectation, stakeholder feedback and Risk Appetite. Impacts and Opportunities were discussed by selected SMEs within the Bank during facilitated workshops to determine a final list of material Impacts and Opportunities.

The process to identify, assess and manage Opportunities is integrated into overall management processes through the Bank's established governance fora (please refer to ESRS 2-GOV-1) and through its annual strategic and financial planning cycle.

PTSB has in place an overarching three-year strategic and financial plan - The Integrated Strategic Plan.

The Plan sets out the core priorities of the Bank and considers the needs of our stakeholders. PTSB channels its investment and efforts into the activity required to deliver on the strategic initiatives that have been agreed within the Plan.

Sustainability is at the heart of the Plan, enabling us to put it at the centre of how we run and grow our business. Key commitments include:

- Embedding consideration for sustainability into all areas of our business;
- Meeting sustainability-related regulation and mitigating against ESG risk;
- Ensuring that our workforce have the right knowledge and capability to deliver our sustainability objectives;
- Enhancing mortgage and retrofit propositions for personal customers; and,
- Introducing sustainability propositions for our Business Banking customers.

4.2 Minimum disclosure requirement on policies and actions

MDR-P Policies adopted to manage material sustainability matters

The below table contains the full list and descriptions of the Bank's Policies and Frameworks that are referenced across the Sustainability Statement. All Policies and Frameworks are available on the Bank's Internal Website.

Policy	Description	Accountable for Implementation	Reference
Adverse Weather Policy	PTSB is committed to the support and promotion of Health and Safety for all our colleagues. In accordance with the Safety, Health and Welfare at Work Act, 2005 ('the Act'), PTSB shall ensure, in so far as is reasonably practicable, a safe and healthy work environment for our colleagues. We believe that ensuring the safety of our colleagues at all times throughout their working day is central to the Bank's core values. The Bank recognises that there may be times when adverse, and deteriorating weather conditions can affect the ability to open for business as well as impacting on the ability of colleagues to travel to work safely. The Bank will make every effort to maintain normal working hours during these periods of adverse weather and facilitate working from home where appropriate. Although such events will be rare, this Policy has been written to provide guidance should such circumstances arise.	Head of Shared Services	ESRS-2-MDR-P E1-MDR2
Anti-Bribery and Corruption Policy	The Bank's Anti-Bribery and Corruption Policy is in place to support PTSB in effectively managing the risks associated with bribery and corruption. The Policy aligns with the Bank's Code of Ethics which states that 'Bribery and corruption are unacceptable, and everyone involved in or dealing with the Group is expected to act honestly and with integrity at all times'. PTSB's Anti-bribery and Corruption Policy complies with the Criminal Justice (Corruption Offences) Act 2018, which has in turn been informed by The United Nations Convention against Corruption.	Head of Financial Crime Compliance and MLRO	ESRS-2-MDR-P S1-MDR1 G1-1 G1-1 G1-MDR1

Policy	Description	Accountable for Implementation	Reference
Anti-Money Laundering/ Terrorist Financing	The Bank's Anti-Money Laundering/Terrorist Financing Policy sets out the guidelines and controls adopted by PTSB to ensure appropriate AML compliance and effective management of money laundering or terrorist financing risk within the business in line with Bank policy.	Head of Financial Crime Compliance and MLRO	ESRS-2-MDR-P S1-MDR1 G1-1 G1-1 G1-MDR1
Business Continuity Policy	The Bank's Business Continuity Policy sets out the minimum requirements necessary to ensure that there is consistent and continuous management of Business Continuity risk across PTSB and that roles and responsibilities are clearly assigned for identifying, assessing, mitigating (including controlling), monitoring and reporting Business Continuity risk. To ensure that the Bank identifies, monitors and manages its material Business Continuity and IT Disaster Recovery risks and regulatory obligations adequately, the Policy aims to provide the minimum requirements necessary to ensure that there is consistent and continuous management of Business Continuity and IT Disaster Recovery risk across the Bank and that roles and responsibilities for carrying out the key components are clearly assigned.	Head of Operational Resilience and Payments	ESRS-2-MDR-P E1-2 E1-MDR1 E1-MDR2
Business Lending Credit Policy	The Business Lending Credit Policy provides guidance on minimum standards that must be met and applied to all aspects of Business Lending. This includes consideration of ESG factors and exposure to Physical and Transition CR&E risk. The Business Lending Policy states that finance must not be provided to Borrowers that engage in a list of Excluded Business Activities which the Bank deem to contribute to irreversible environmental and/or social harm to society, this includes areas such as non-renewable energy (for example, extraction of gas, oil or coal), unnecessary deforestation or the sale of weapons. Meeting the requirements set out in the Policy is a condition of doing business with PTSB. The Business Lending Policy is approved by the Board, and delivered via the Bank's Credit Committee and delegated authority structures. In addition, PTSB's Business Lending Policy requires that all credit applications include commentary on how ESG factors are likely to impact the applicant's future business performance. Governance arrangements are considered with reference to items such as compliance with industry standards and tax records.	Chief Credit Officer	ESRS-2-SBM-1 E1-2 E1-MDR3 S4-MDR1
Change Framework	The purpose of the document is to: • Provide a standard to support a consistent approach for the delivery of Change across the Bank including the initiation process for new projects; • Document the definition of change and categories of change prioritised as part of the Strategic Planning Process (SPP); • Outline the Change Governance Process and define clear roles, responsibilities, and accountabilities for managing Change projects. Provide an overview of the Stage Gate Process; and, The framework will support the management of change in PTSB as well as details of relevant & supporting policies, guidelines, and standards.	Head of Enterprise Risk	ESRS-2-MDR-P E1-MDR3-P

Policy	Description	Accountable for Implementation	Reference
Change Risk Policy	The purpose of this Policy is to set out, at a high level, the minimum requirements and approach for the consistent, continuous, and effective identification and mitigation of Change Risk, including Information Technology (IT) Change across the Bank. The Policy also sets out clear accountability and roles and responsibilities including how Risk Appetite is overseen and controlled.	Head of Non-Financial Risk	ESRS-2-MDR-P E1-MDR3-P
Climate-related & Environmental Risk Management Framework	The CR&E Risk Management Framework, which sits under the overarching Enterprise Risk Management Framework (ERMF), describes PTSB's approach to the management of CR&E risk including setting out the Bank's approach to CR&E Risk identification, assessment, measurement, monitoring, mitigation and reporting. CR&E Risk, which is defined as a Key Risk Category within the ERMF, is a cross-cutting risk that may manifest through other relevant Key Risk Categories, the management of which is maintained through the individual Risk Management Frameworks under the ERMF.	Chief Operating Officer	ESRS-2-MDR-P E1-2 E1-MDR3 E1-MDR1
Code of Ethics	The Bank has in place a Code of Ethics that provides a general framework for expected behavior and guides our workforce in doing the right thing. It codifies how best to interact with our stakeholders and provides standards that colleagues must follow in both their professional life, and in conducting their own personal financial affairs. It is there to protect us from unacceptable behavior and minimise opportunities for misconduct. Complying with the requirements and principles of the Code is a condition of employment for our colleagues. Aligned to the introduction of the IAF, from 31st December 2023 it is also a regulatory requirement of the Central Bank of Ireland as it sets out the behaviors expected of all colleagues in relation to the Business Standards, and for those in Control Function and PCF roles the Common and Additional Standards expected. The Board supports a zero-risk appetite for deliberate and/or repeated poor or unfair customer outcomes (financial or non-financial), or any market impact which arises through inappropriate actions, or inactions in the execution of our business. Any instances of breaches are reported throughout the year. To further support the above, the Bank has in place an industry-wide DECiDE (Ethical Decision Making) Framework. This was incorporated into ethics training which is delivered annually to all colleagues. The DECiDE Framework is communicated across all areas of the Bank and includes an interactive animation which demonstrated to colleagues how the Framework can be used within everyday decision making. At a more strategic level, the Bank also introduced the 'Our Customer 'Yes' Checks', which now form an integral part of decision making within the Bank's Committees.	Chief Customer and People Officer	ESRS-2-MDR-P S1-MDR1 G1-1 G1-3 G1-MDR 3
Collateral Valuations Policy	This policy relates to the Valuation of both Residential Properties and Commercial Properties for both New Lending and Back Book management. The policy has been designed to ensure that the Bank's valuation standards are: • Independent, accurate and reflect current market conditions; • Comply with best practice international valuation standards; • Include details of the terms of engagement with a valuer; and, • Comply with the Capital Requirements Directive (CRD). Valuation reports are considered key to the lending process, reviewed and evaluated in a similar manner to other key credit risk and financial documentation inputs. The Valuation Report captures BER and Eircode data to aid the assessment of the mortgage portfolio for CR&E risk.	Chief Credit Officer	ESRS-2-MDR-P E1-MDR3 E1-MDR4

Policy	Description	Accountable for Implementation	Reference
Colleague Conduct Policy	The Bank has in place a Colleague Conduct Policy, an overarching colleague framework which includes the policies and procedures that are integral to upholding high standards of colleague conduct across the organisation. The Policy sets out the behaviours expected of our people, and lays out the requirements for the effective management of those behaviours within the Bank to ensure that our customers and colleagues are treated in the right way. PTSB has a zero-tolerance for inappropriate colleague conduct. A colleague conduct paper is produced and presented to the Board on a bi-annual basis. The paper gives qualitative and quantitative updates on key colleague-related policies and procedures over the period, in line with our Colleague Conduct Policy. The Colleague Conduct Policy takes into consideration several other documents that encourage appropriate colleague conduct and behavior, including our Code of Ethics and Speak Freely. The Colleague Conduct Policy is reflected within the overarching IAF Conduct Standards Policy. In addition, the Colleague Conduct Policy considers our Dignity and Respect Code and our Equality through Diversity and Inclusion Charter, recognising the responsibility we have to respect and protect the human rights of every individual that works for us.	Head of People	ESRS-2-MDR-P S1-MDR1 S4-MDR1 G1-1 G1-3 G1-MDR1
Community Fund Constitution	The Bank's Community Fund Constitution describes the principles and practices that the Bank applies when engaging with charitable organisations. The Constitution sets out the expectations of all colleagues and provides details of how PTSB engages in charitable giving, including an overview of the processes that are in place, governance structures and appropriate due diligence procedures.	Community Fund Committee Chair	ESRS 2-MDR-P G1-MDR3
Community Policy	PTSB's Community Policy describes the principles and practices the Bank applies to engage with our community and charity partners in the most effective way, ensuring that we support local communities across the country by having a positive and meaningful impact.	Chief Sustainability and Corporate Affairs Officer	ESRS 2-MDR-P G1-MDR3
Complaints Charter	The Complaints Charter outlines how complaints are managed within PTSB. It provides an overview of: • Our promise – that customers can be sure that we will deal with their complaint fairly, courteously and promptly. We will log and investigate their complaint as quickly and efficiently as possible. We will look at all the facts of their complaint and all issues raised on the basis of all the evidence available to us and determine a fair and reasonable outcome; • How customers can make a complaint (through contacting our Open24 Team, utilising our online complaint form, written correspondence, or visiting a local branch); • What happens next (how complaints are registered, investigated and responded to); and, • What happens if the customer is still not satisfied (what customers can do if they remain dissatisfied with our response).	Head of Customer Complaints & Resolution	ESRS 2-MDR-P S4-3

Policy	Description	Accountable for Implementation	Reference
Complaints Management Policy	The Complaints Management Policy consists of two principal components: • The process for managing the lifecycle of a complaint from the initial complaint by a complainant through to resolution; and, • Analysis of complaints from complainants to identify trends and improve customer experience and outcomes. The Complaints Management Policy does not address the Legal Departments arrangements to respond to legal action or engage with Court proceedings. The objectives of the Complaints Management Policy are to: • Ensure complaints are handled in a speedy, efficient and fair manner; • Manage complaints effectively within the governance structure set out in the Complaints Management Framework; • Deliver the fair outcomes for customers by embedding a customer focused culture; • Ensure complaint trends are identified and root cause undertaken in order to identify emerging and potential Compliance, Conduct Risk and Operational risk; • Incorporate lessons learnt from Complaints Management into the Group (including incorporating into product reviews, product approvals and design); • Support RCSA in embedding an enhanced internal control environment and reduce unnecessary operational losses; and, • Ensures the Group meets its regulatory obligations with respect to complaint handling. The objectives have been developed in accordance with the Bank's customer centric strategy, which is to ensure that consideration of the customers' best interests is placed at the centre of the organisation's decision-making. This focus should highlight the patterns of unfair customer outcomes and enable proactive steps to prevent these outcomes from recurring, thereby reducing the number of complaints.	Head of Customer Complaints & Resolution	ESRS 2-MDR-P S4-MDR2

Policy	Description	Accountable for Implementation	Reference
Conduct Management Framework	The Conduct Management Framework describes PTSB's approach to risk management of the Conduct Standards under the Individual Accountability Framework (IAF) and Conduct Risk. Managing of the IAF Conduct Standards and Conduct Risk helps to ensure that the best interests of, and fair outcomes for, our customers are considered which will help build trust with our customers as well as our other key stakeholders. The Framework aims to ensure that PTSB acts honestly, fairly and professionally in the best interests of our customers, the Bank and all stakeholders, so that: • The required behaviors for individual staff as well as the wider Bank (as detailed in the IAF Conduct Standards) are fully understood and practiced by all applicable stakeholders; • Our customers can be confident that their best interests are central to the Bank's culture; Our products, services and channels are designed to meet the needs of identified consumer groups and are targeted accordingly, this extends to customers that require enhanced support; • Our customers are provided with clear information and are kept appropriately informed before, during and after the point of sale; • Where we provide information, it is suitable and takes account of our customers circumstances; • Products will perform, and the associated service is of an acceptable standard, as the Bank has led customers to expect; and, Our customers will not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint.	Head of Compliance	ESRS 2-MDR-P S1-MDR1 G1-1 G1-MDR 1
Conflict of Interest	A Conflict of Interest occurs when an employee's personal relationships, participation in external activities or interest in another venture influence or could be perceived to influence a business decision. PTSB has in place a Conflict of Interest Policy to provide guidance to employees and to ensure that the Bank proactively manages both personal and organisational Conflict of Interests. Every employee is responsible for identifying, reporting and managing Conflict of Interests and, in doing so, must comply with the letter and spirit of the Policy. The Bank has in place procedures to deal with Conflict of Interest that may arise. The Human Resources Team monitors adherence to this Policy and reports to the Executive Committee and Board on a half-yearly basis.	Head of People	ESRS 2-MDR-P S1-MDR1 G1-1 G1-MDR 1
Consumer Non-Mortgage Lending	The Consumer Non-Mortgage Lending Policy provides the minimum standards that must be met when approving a loan. These standards are applied to all aspects of Consumer Non-Mortgage lending and act as an overarching policy document that sets out the Bank's "Core Lending Principles". This Policy ensures that policy approvals and changes to the Bank's Consumer Non-Mortgage lending framework are appropriately recognised, approved and managed. Ensuring a consistent approach to the assessment of credit applications.	Chief Credit Officer	ESRS 2-MDR-P E1-MDR3 E1-MDR4

Policy	Description	Accountable for Implementation	Reference
Credit Risk Management Framework	The Credit Risk Management Framework (CRMF) for the Bank supports the overarching RMF and Internal Control Framework (ICF) by detailing the Bank's specific approach to Credit Risk Management PTSB is dedicated to fostering a sustainable future and recognises the critical role of Environmental, Social and Governance (ESG) factors, particularly in the context of Climate Change. PTSB is committed to responsible banking practices including lending with view to proactively managing associated ESG risks. Our Credit Risk Management Framework is guided by regulatory requirements, market sentiments and customer requirements, and is aimed at understanding and mitigating climate-related risks (Physical and Transition risk). As the ESG agenda continues to evolve, so too will our approach to support Bank Risk appetite to ensure we continue to contribute to a resilient and sustainable financial future, while always being mindful of Customer impact, in line with our community-based banking values. This Framework is intended to promote sound Credit Risk management across the Bank. It aims to embed and communicate the method by which PTSB manages Credit Risk, details the key principles, objectives, and primary components of PTSB's approach to Credit Risk management, and distributes Credit Risk responsibilities across the Bank's three lines of defence. This includes adherence to the Data Protection Policy which includes Storage Limitations. Pursuant to the RMF, the Bank shall manage Credit Risks within the limits and thresholds established in PTSB's Risk Appetite Statement (RAS) approved by the Board. This Framework is aligned with PTSB's RMF and applicable regulatory requirements.	Chief Credit Officer	ESRS 2-MDR-P E1-MDR1 S4-MDR1
Data Protection	Data Protection is a fundamental right under the EU Charter of Fundamental Rights and therefore PTSB safeguards the data protection/privacy rights of customers and employees. The Bank has a strong data protection culture in place, including a Data Protection Policy that sets out PTSB's policy objectives in respect of the protection of personal data. The Policy includes the data protection principles, objectives, and primary components of PTSB's approach to the management of data protection risk and sets out responsibilities across the Three Lines of Defence Model. The scope of this Policy is Bank-wide, for example, it applies to all entities and activities within the Bank which involve the processing of personal data. Adherence to this Policy is mandatory for all employees, contractors and the Board of Directors.	Data Protection Officer	ESRS 2-MDR-P S1- MDR 1 S4- MDR 1 G1- MDR 1
Dignity and Respect Code	The Code sets out the Bank's procedures for dealing with allegations of bullying and harassment and inappropriate behaviours, as laid within the Code. The Code applies to colleagues while they are both in the workplace and at work-associated events such as meetings, conferences and work-related social events, whether on the company's premises or off-site. It also applies to people that our colleagues may reasonably expect to come into contact with during the course of their employment such as customers, clients or business partners.	Head of People	ESRS 2-MDR-P S1- MDR1 S4-1

Policy	Description	Accountable for Implementation	Reference
Disciplinary Procedure	The procedure is to be followed for disciplinary action taken on behalf of the Company, is in line with the Workplace Relations Commission's (WRC) Code of Practice on Grievance and Disciplinary Procedures and takes cognisance of previous cases within the Bank. It ensures that employees are treated equitably in relation to any complaints about performance or behaviour and that action is not taken without having regard to the facts and circumstances of each case.	Head of People	ESRS 2-MDR-P S1- MDR1
Driving for Work Protocol	In accordance with the Safety, Health and Welfare at Work Act, 2005, PTSB must provide, in so far as is reasonably practicable, a safe and healthy work environment for our employees. Under the Act, a vehicle used in the course of business is classified as a place of work. Driving for work is an activity undertaken by employees of the Bank and as such, poses as a potential hazard to both employees, and other road users including pedestrians. It is a shared responsibility between the Bank, and its employees with two main types of legislation applicable to this activity in Ireland, Road Traffic Acts and the Safety, Health and Welfare at Work Act, 2005. The purpose of the Protocol is to set out guidelines for any employee who drives for work along with clearly defined responsibilities of both the Bank and the driver.	Head of Shared Services	ESRS 2-MDR-P E1-MDR1
Employee Volunteering Policy	PTSB's Employee Volunteering Policy describes the principles and practices the Bank applies to encourage and support employees at all levels of the organisation to take part in volunteering opportunities in local communities.	Chief Sustainability and Corporate Affairs Officer	ESRS 2-MDR-P G1-MDR3
Enhanced Customer Support Policy	The Bank has in place an Enhanced Customer Support Policy that sets requirements to be adhered across the bank in relation to the identification, assessment, management, and support for customers who may require additional support or support with decision-making, including customers in vulnerable circumstances. PTSB is dedicated to raising staff awareness in recognising customer challenges and vulnerable circumstances, understanding that such circumstances can affect anyone, at any stage in their lifetime, and providing guidance to staff on how best to secure customer interests in relation to their interactions with the Bank. This Policy reflects our commitment to fostering trust, inclusivity, and compliance with relevant legislation, including CPC and ADMA. It provides the Bank's business areas with structured guidance on how to embed enhanced support measures within their processes, ensuring all customers can access the financial services, they need, in a way that is inclusive and responsive to their circumstances. At the heart of this Policy, are key principles that reflect the Bank's commitment to customer care, including proactive identification of support needs, tailored assistance, where possible depending on circumstances, and a culture of continuous improvement in how we serve customers in vulnerable circumstances. The Policy is overarching and ensures that customers in vulnerable circumstances are also considered during product and service design to ensure exceptional customer outcomes, including when in vulnerable circumstances. The Policy also ensures that all staff members understand their role in delivering a consistent and exceptional level of customer care, especially for customers in vulnerable circumstances. This Policy is updated and communicated across the bank on a yearly basis, and it is also included in the bank-wide mandatory training delivered to all staff.	Chief Retail Banking Officer	ESRS 2-MDR-P S4-MDR2

Policy	Description	Accountable for Implementation	Reference
Enterprise Risk Management Framework (ERMF)	ERMF describes PTSB's overarching approach to enterprise risk management, forming a critical component of the Bank's Internal Control Framework (ICF). The ERMF outlines the structures and practices that enable the Bank to recognise the economic substance of all risk exposures and make informed risk-taking decisions. It sets forth the Bank's approach to risk governance, risk culture, risk strategy, risk appetite, risk management processes (including risk identification, risk assessment & measurement, risk mitigation, risk monitoring & testing, risk reporting & escalation), risk assurance, and the monitoring and maintenance of risk data and IT systems. The Framework is further supported by the Risk Appetite Framework, risk category frameworks, risk policies, and risk procedures, which collectively guide the Bank's risk management practices. A key component of the ERMF is the Bank's Risk Categories, which provide a structured classification of risks faced by the Bank, including those arising from its revenue-generating activities and those inherent in its operations and business support functions. These categories establish a common language for understanding, discussing, and managing risks across the enterprise, forming the foundation for risk governance structures and core risk management processes. The Level 1 – Key Risk Categories represent the most significant risk areas that could materially impact the Bank and include Capital Adequacy Risk, Liquidity and Funding Risk, Market Risk, Credit Risk, Business Risk, Operational Risk, Information Technology Risk, Model Risk, Compliance Risk, Conduct & Reputational Risk, and Climate-Related & Environmental Risk. Supporting these are Level 2 – Sub-Risk Categories, which provide a more detailed classification of specific risk types, facilitating targeted risk management practices and enabling risk aggregation within each key risk category. The ERMF is designed to support the Board of Directors and management in ensuring the financial and operational soundness of the Bank while enabling the execution of its strategic priorities. It defines a Three Lines of Defence model, assigning clear ownership and accountability for risk identification, assessment, measurement, mitigation, monitoring, and reporting across business units (First Line of Defence), Group Risk & Compliance (Second Line of Defence), and Group Internal Audit (Third Line of Defence). The Framework also seeks to embed a strong risk culture, establish a robust risk governance structure, and implement sustainable risk management processes that ensure the timely identification, assessment, and control of current and emerging risks.	Head of Enterprise Risk and Operations	ESRS 2-MDR-P E1-MDR3 E1-MDR4
Environmental Policy Statement	PTSB's Environmental Policy Statement outlines the Bank's commitment to environmental sustainability through the ongoing identification, management and improved efficiency of those significant environmental impacts associated with our business activities, including carbon impact and contributing to a low carbon economy, energy management, use of natural resources, biodiversity and waste management.	Chief Sustainability and Corporate Affairs Officer	ESRS 2-MDR-P E1-2 E1-MDR1
Equality through Diversity and Inclusion Charter	The purpose of the Charter is to set out the Bank's position in terms of its commitment to promoting equality, through diversity, equity and inclusion and in challenging discriminatory behaviour together with setting the supports available for colleagues in promotion and challenging such behaviour.	Head of People	ESRS 2-MDR-P S1-MDR1 S4-1

Policy	Description	Accountable for Implementation	Reference
Financial Crime Compliance Framework	PTSB maintains an overarching Financial Crime Compliance Framework, which includes three supporting policy documents relating to Money Laundering/Terrorist Financing, Sanctions and Bribery and Corruption Risk. The Framework and related Policies set out how the business adheres to all laws and regulations relating to financial crime compliance and how these risks are managed within the Bank. An assessment of the specific Money Laundering/Terrorist Financing and Sanctions Risk faced by the Bank is undertaken annually, and a review of the Bribery and Corruption Risk relevant to the Bank's business is also completed on a periodic basis. Financial crime compliance training, which covers Money Laundering/Terrorist Financing, Sanctions and Bribery and Corruption Risk, is provided to all employees each year, with tailored training provided to the Board of Directors and members of the Executive Committee. PTSB is committed to managing and mitigating the financial crime compliance risk associated with its business activities and complying with all applicable Money Laundering/Terrorist Financing, Sanctions and Bribery and Corruption laws and regulations in the jurisdictions in which it operates. To mitigate against any financial crime compliance related risk that may occur, the Bank has comprehensive due diligence procedures in place, which include requesting documents such as proof of identity and proof of address at account opening and at intervals, thereafter, conducting enhanced due diligence reviews and undertaking Politically Exposed Persons (PEPs) and Sanctions screening in accordance with our Policies.	Head of Financial Crime Compliance and MLRO	ESRS 2-MDR-P S1-MDR1 G1-1 G1-3 G1-MDR1 G1-MDR 3
Fitness and Probity Policy	The objective of the PTSB Fitness and Probity Policy is to clearly define the specific roles, responsibilities and accountabilities across the Bank in relation to the implementation of Fitness and Probity requirements.	Head of IAF Governance and Operations	ESRS 2-MDR-P S1-MDR1 G1-1
Green Bond Framework	The Green Bond Framework was established by PTSB, under which it or any of its subsidiaries can issue green bond instruments, which may include senior bonds (preferred and non-preferred), subordinated bonds, green securitisation and medium-term notes to finance (the 'Green Bond Instruments') and/or refinance green eligible loans with a positive environmental benefit. The Framework is based on the International Capital Markets Association (ICMA) Green Bond Principles 2021, including the updated Appendix I of June 20221. The Framework is presented through the key pillars of the ICMA principles 1. Use of Proceeds 2. Process for Project Evaluation and Selection 3. Management of Proceeds and 4. Reporting. This Framework will remain under review internally and may from time to time be updated. The Framework may evolve to account for changes to the ICMA Green Bond Principles, and any regulatory developments deriving from the EU Taxonomy or other relevant regulation/legislation.	Head of Debt Capital Markets	ESRS 2-MDR-P E1-2 E1-MDR4

Policy	Description	Accountable for Implementation	Reference
Green Product and Proposition Design Principles	The Bank has developed Green Product and Proposition Design Principles which aim to support the Bank in aligning its Corporate and Product Strategies to its Science-based Targets (SBTs), and work to guide, inform and prioritise the development of end-to-end green product offering(s) over the short to medium-term.	Senior Product Manager	ESRS 2-MDR-P E1-2 E1-MDR4
Grievance Procedure	The Grievance Procedures purpose is to address a colleague's grievance and attempt to resolve it, if possible. The Bank recognises that for many colleagues matters will be resolved informally and locally with their own management however, at times, it will be necessary to formally invoke the Grievance Procedures.	Head of People	ESRS 2-MDR-P S1-MDR1
Group Credit Policy	PTSB have in place a Group Credit Policy. The policies in place address all material aspects of the full credit lifecycle, including Credit Risk assessment and mitigation, collateral requirements, collections and forbearance and the risk grading of individual credit exposures. The Group Credit Policy takes account of the Group's Risk Appetite Statement, applicable sectoral credit limits, the Group's historical experience and resultant loan losses, the markets in which the business units operate, risk outlook and the products which the Group provides. Each staff member involved in assessing or managing credit has a responsibility to ensure compliance with these policies and effective procedures are in place to manage the control and monitoring of exceptions to policy. The GCC is responsible for developing, maintaining and overseeing implementation of credit policy within the Group. Group credit policy and procedures are designed to comply with the requirements of relevant regulation. In setting the Group Credit Policy and Enhanced Customer Support Policy, careful consideration was given to the interests of key stakeholders to ensure it addresses their needs and concerns effectively. This included consultation with relevant subject matter experts (SMEs) and colleagues to understand their expectations and the potential impact the policy may have on them.	Chief Credit Officer	ESRS 2-MDR-P E1-MDR3 E1-MDR4 S1-MDR1
Group Safety Statement	The Group Safety Statement is based on the identification of hazards and assessment of risks and its purpose is to specify the manner in which the safety, health and welfare at work of employees, and of all persons who work for or come into contact with the organisation shall be secured. The Group Safety Statement is the main Health and Safety Policy that covers the Bank's employees.	Head of Shared Services	ESRS 2-MDR-P S1-MDR3

Policy	Description	Accountable for Implementation	Reference
Individual Accountability Framework (IAF) Conduct Standards Policy	The IAF Conduct Standards requires CF role holders to take reasonable steps to adhere to the standards of conduct that the Bank (and by extension our customers and the CBI) expect from each of us. PTSB is obligated to establish, maintain, and give effect to policies on how the IAF Conduct Standards are integrated into the culture and conduct of the affairs of PTSB, as well as notify and train in-scope colleagues on how the IAF Conduct Standards apply to them. The IAF Conduct Standards Policy sets out the requirements across PTSB for the embedding of the IAF Conduct Standards. An IAF Conduct Standards Handbook has been prepared by PTSB which provides practical support to colleagues in understanding the concept of reasonable steps and guiding them in understanding the steps that are reasonable for them to take to uphold the relevant IAF Conduct Standards.	Head of Governance, Conduct and Planning (Retail Banking)	ESRS 2-MDR-P E1-2 S1-MDR1 G1-1
Information Security Policy	This Information Security Policy sets out the requirements for the Bank to manage its information and information technology systems in a manner that appropriately protects the security of the information stored and processed in those systems. This includes the requirements for Bank staff, contractors and suppliers, who access PTSB's systems and information, to ensure IT systems are operated in alignment with Bank's risk appetite and the legal and regulatory environment that encompasses Bank activities.	Chief Information Security Officer (CISO)	ESRS 2-MDR-P S1-MDR1 S4-MDR2 G1-MDR1
Learning and Development Policy	The purpose of this Policy is to ensure that induction, training and professional development are planned and delivered to a high standard consistently throughout the Bank enabling colleagues to perform effectively in their current role and enabling them to develop their capability to progress to different and/or more senior roles in the future.	Head of Talent	ESRS 2-MDR-P S1-MDR1
Liquidity and Funding Risk Policy	This Policy details the Bank's focus on the identification, measurement, management and monitoring of Liquidity and Funding Risk over an appropriate set of time horizons. This includes recognition of the impact of Physical and Transition risks that may impact liquidity and funding in the future. This document also outlines those activities of irreversible environmental and/or social harm to society are excluded from eligibility.	Head of Financial Risk	ESRS 2-MDR-P E1-2
Lobbying Policy	The purpose of the Bank's Lobbying Policy is to outline the Bank's obligations regarding lobbying activities as related to the Regulation of Lobbying Act 2015 and the Lobbying Amendment Act 2023 (the 'Acts'). PTSB is registered as a lobbyist and, as such under the Acts, it must publish material details of its lobbying activities with certain categories of Designated Public Officials (DPOs) on the 'Register of Lobbying' (the Register). The Register is publicly available on the Lobbying.ie website and is maintained by the Standards in Public Office Commission.	Chief Sustainability and Corporate Affairs Officer	ESRS 2-MDR-P G1-5

Policy	Description	Accountable for Implementation	Reference
Operational Resilience Framework	The Bank's Operational Resilience Framework details the Bank's structured and systematic approach to managing Operational Resilience activities, with its key focus of ensuring that the Bank can withstand severe but plausible situations and recover effectively and efficiently from major disruptive events. The Framework sets out high-level requirements to: identify, assess and manage Critical Business Services to ensure the Bank can respond to disruptions in line with the agreed Impact Tolerance limits set, set clear resilience standards, governance and management structures to allow the key stakeholders to meet their roles and responsibilities effectively and , continuously improve the operational resilience of the Bank by identifying vulnerabilities and ensuring remediation to address those vulnerabilities is completed.	Head of Operational Resilience and Payments	ESRS 2-MDR-P E1-2 E1-MDR1 E1-MDR2
Our Culture Charter	Our Culture Charter sets out our Purpose, Values and beliefs that guide colleague interactions to support the delivery of our Ambition. It ensures that all colleagues have a consistent understanding of our culture and the expectations of them, as well as reflecting our evolved Purpose and Ambition, and our Brand Promise. Our Culture Charter is reviewed annually under our PR 5 Culture & DEI Reasonable Steps Approach and is a core cultural artefact for the Bank.	Head of People	ESRS-2-MDR-P S1-1 G1-1
Regulatory Compliance Framework	The Regulatory Compliance Framework supports the Bank in achieving its strategic priorities while managing regulatory compliance risks within the Board-approved Regulatory Compliance Risk Appetite. In addition, it sets out how the Bank manages current and emerging Regulatory Compliance Risk (including CR&E risk) and details the key principles, objectives, and primary components of PTSB's approach to Regulatory Compliance Risk Management and sets out Regulatory Compliance Risk Management responsibilities across the Three Lines of Defence Model.	Head of Compliance and Conduct Risk	ESRS 2-MDR-P E1-MDR3 E1-MDR4
Remuneration Policy	This Remuneration Policy sets out how the remuneration components used by PTSB operate. It applies to all remuneration components which may be received by any employee, director (including non-executive directors) but excluding any staff seconded from a third party. It applies across the whole of PTSB including all operations and legal entities.	Head of People Operations	ESRS 2-MDR-P S1-MDR1
Reputational Risk Policy	The purpose of the Bank's Reputational Risk Policy is to define the minimum requirements and accountabilities for PTSB employees with regards to Reputational Risk. The Policy supports the Bank in understanding the role every colleague plays in impacting the Bank's reputation, and the risks associated with same.	Chief Sustainability and Corporate Affairs Officer	ESRS 2-MDR-P E1-MDR-4 G1-3
Residential Mortgage Lending Policy	The Residential Mortgage Lending Policy provides guidance on minimum standards that must be met and applied to all aspects of Residential Mortgage lending. This includes requirements for Retail Mortgage customers to demonstrate insurance cover for Physical Risk impacts (for example, flooding and subsidence).	Chief Credit Officer	ESRS 2-MDR-P E1-2 E1-MDR3 E1-MDR4

Policy	Description	Accountable for Implementation	Reference
Senior Executive Accountability Regime (SEAR) Handbook	SEAR is designed to improve governance, performance and accountability in Financial Services firms by obliging firms and colleagues in Pre-Approved Controlled Function (PCF) roles to clearly document where responsibility and decision-making lie in the firm. This promotes a culture of accountability within PTSB. The PTSB SEAR Handbook outlines how SEAR operates within PTSB and sets out the steps that PCFs, their teams and all relevant stakeholders must take to manage the obligations under SEAR. The SEAR Regulations include a number of Prescribed Responsibilities (PRs) which must be allocated to a PCF role holder. The CEO has allocated PR24 'responsibility for managing financial risks from climate change' to the CRO under SEAR.	Head of IAF Governance and Operations	ESRS 2-MDR-P G1-1 G1-3
Smart Working Framework	The Smart Working Framework aims to bring different types of Flexible, Smart and Home Working policies under one framework for Colleagues within the Bank. The Framework outlines PTSB's Smart Working options available to employees and how those options can be requested. It also outlines the factors that influence the approval of requested Smart Working arrangements and the steps available to employees if their request is not approved. Aligned to the 2024 Workplace Relations Commission launch of the 'Code of Practice for Employers and Employees Right to request Flexible Working and Right to Request Remote Working'. PTSB's Smart Working Framework has been reviewed to ensure compliance with this Code of Practice.	Head of People	ESRS 2-MDR-P E1-MDR1 E1-MDR2 S1-MDR1
Sourcing and Procurement Policy	The Bank's Sourcing and Procurement Policy is aimed at providing an understanding of the process requirements for the purchase of goods, services or works on behalf of the Bank, to ensure compliance to internal governance and associated regulations, and to ensure the selection of the most competitive suppliers based on commercials and technical capability, aligned to the Bank's priorities.	Head of Sourcing	ESRS 2-MDR-P G1-2 G1-MDR 2
Speak Freely	To support the cultural evolution of PTSB, the Bank has developed an alternative approach to simplifying and clarifying the channels by which an employee can speak up and raise a concern; namely, Speak Freely. Speak Freely, and associated procedures, protects employees who wish to make a protected disclosure, relating to an actual or potential wrongdoing in the workplace. The Bank has in place procedures to deal with any protected disclosures that may arise as part of Speak Freely and reports to the Executive Committee and Board on a half-yearly basis.	Head of People	ESRS 2-MDR-P S1-MDR1 S4-1 G1-2 G1-MDR2
Stakeholder Engagement Policy	The Bank's Stakeholder Engagement Policy encompasses our overarching approach to stakeholder engagement in PTSB, from who we identify as our stakeholders, to the processes currently in place to ensure that they are genuinely involved and considered in key decisions.	Chief Corporate Affairs and Sustainability Officer	ESRS 2-MDR-P G1-MDR2 G1-MDR 3
Succession Planning Policy	Succession Planning is the process by which PTSB identifies and develops in a planned manner, the pipeline of individuals whose performance and potential marks them out as 'next-in-line' for specific roles or levels across the Bank. The objective of the Policy is to document the standards that apply to the succession planning process in the Bank.	Head of Talent	ESRS 2-MDR-P S1-MDR1
Supplier Relationship Standards	The Bank's Supplier Relationship Standards detail the requirements to staff managing Third Party arrangements, generally described a 'Supplier Relationship Management'. The Standards outline the activities that must be carried out by the business area/or specifically the identified contract owner to comply with the Third Party Risk Management Policy and other associated Polices that outline obligations in relation to Third Party Management.	Head of Third Party Management	ESRS 2-MDR-P G1-MDR2 G1-MDR3

Policy	Description	Accountable for Implementation	Reference
Sustainable Supplier Charter	The Sustainable Supplier Charter sets out the Bank's expectations of suppliers and acts as a 'Code of Conduct' detailing what is expected from all suppliers with regard to business practice and responsibilities as a supplier to PTSB. We have categorised the Charter into the following 7 core areas, in line with ISO20400 which outline our expectations of suppliers of PTSB. They include: • Environmental; • Human Rights; • Operating Practices; • Labour practices; • Supply Chain; • Social; and, • Health, Safety and Wellbeing.	Head of Sourcing	ESRS 2-MDR-P E1-2 E1-MDR1 G1-2 G1-MDR2 G1-MDR3
Third Party Management Framework	The Bank's Third Party Management Framework provides guidance relating to the Third Party Management Lifecycle on the necessary steps for stakeholders planning to engage in Third Party arrangements.	Head of Operational Resilience	ESRS 2-MDR-P G1-MDR2 G1-MDR3
Third Party Outsourcing Strategy	The Bank's Third Party and Outsourcing Strategy is designed to set out the appetite for outsourcing in line with the Bank's Business Strategy and the overall Risk Appetite. The goal is to leverage outsourcing, where appropriate, to enable the successful delivery of the Bank's Business Strategy.	Head of Operational Resilience	ESRS 2-MDR-P G1-MDR2 G1-MDR3
Third Party Risk Management Policy	The Bank's Third Party Risk Management Policy sets out the approach and minimum requirements, clear accountability and roles and responsibilities, for the consistent, continuous, and effective identification and mitigation of the risks associated with Third Party (including outsourcing) engagements across the Bank.	Head of Operational and IT Risk	ESRS 2-MDR-P G1-MDR2 G1-MDR3

Minimum Disclosure Requirements

The Bank has outlined additional information based on its material IROs in relation to its Policies, Actions, Metrics and Targets in the MDR sections Please refer to associated MDR-P, MDR-A, MDR-M and MDR-T sections below.

ESRS E1 Climate Change

Strategy

E1-1 Transition plan for climate change mitigation

As of the 31 December 2024, the Bank does not have a Climate Transition Plan in place. The Bank will keep the development of a Climate Transition Plan under review as part of its wider Sustainability Strategy in the medium to long-term.

Following a significant programme of work, during 2024 the Bank worked to develop our science-based targets (SBTs) in line with the Science Based Target Initiative's (SBTi) Version 2 Guidance for Financial institutions. The work included the development of a corresponding Carbon Reduction Plan to support us in achieving our Targets once set. The Targets and Plan will be submitted to the Science-based Target Initiative during Q1 2025 for validation. We will communicate our Targets once the validation process reaches completion.

The SBTi provide a pathway for companies to reduce greenhouse gas emissions, aiming to mitigate the severe impacts of climate change while ensuring sustainable business growth. Targets are deemed 'science-based' when they align with the latest climate science necessary to limit global warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement.

The Bank has already made progress with respect to its carbon emissions, achieving a c.15% reduction in Scope 1 and Scope 2 location-based emissions in 2024, when compared to 2023.

Sustainability is at the heart of PTSB's Business Strategy and focuses on putting Sustainability at the centre of how we grow and run our business, as well as manage and mitigate against ESG risk.

The Bank's SBTs Programme will be a key element of our Climate Transition Plan, while also supporting our future sustainability reporting commitments.

To address GHG emissions across Scope 1, 2 and 3, the Bank has a number of initiatives in place aligned to Ireland's Climate Action Plan. These include:

Scope 1 decarbonisation levers:

- Sustainable Transport (PTSB internal factor): The adoption of sustainable transport. Hybrid vehicles can reduce CO_2 emissions by up to 34% compared to conventional engines, while electric vehicles produce zero tailpipe emissions. As of the 31 December 2024, PTSB has replaced 56% of its fleet with hybrid petrol/electric options. The remaining petrol and diesel vehicles are due to be phased out between 2025-2030 as part of the Bank's Fleet Strategy.

Scope 2 decarbonisation levers:

- Grid Decarbonisation (external factor): The greening of the National Electricity Grid in Ireland will support the reduction of Scope 2 location-based emissions assuming the Kilowatt hours (kWh) usage of electricity does not increase dramatically.
- Building Upgrades (PTSB internal factor): The Bank continues to implement LED lighting across our branch network as part of our ongoing branch refurbishment process.
- Data Centre Migration (PTSB internal factor): The Bank has migrated our data centre to a new and more efficient building.
- Renewable Electricity (PTSB internal factor): The Bank currently procures 100% energy certified as renewable from our electricity provider and receives a green certificate from the provider every year. We will continue this practice across our operations to maintain our Scope 2 market-based emissions at 0.

Scope 3 decarbonisation levers:

- Greening of the Electricity Grid (external factor): Decarbonisation of the National Electricity Grid in Ireland will contribute to a c.16% reduction in household emissions by 2033, which will naturally reduce Scope 3 financed emissions associated with PTSB's Mortgage Portfolio.[1]
- Greening of the Housing Stock (external factor): Government plans equate to a carbon reduction of c.29%by 2030, which will have a positive impact on PTSB's Mortgage Portfolio.[2]
- Green Products and Propositions (PTSB internal factor): PTSB's Green Mortgage Product and partnership with the Strategic Banking Corporation of Ireland (SBCI) for low-cost home energy upgrade loans are strategies for reducing emission intensity across the Bank's Mortgage Portfolio. By expanding these products and introducing additional incentives, the Bank can accelerate progress towards meeting its Scope 3 financed emission reduction targets.

In accordance with EU Taxonomy Regulation, PTSB has not elected to differentiate between capital expenditure (CapEx) and turnover for the material Mortgage Portfolio.

In accordance with the EU Paris-aligned benchmarks exclusion criteria, PTSB has no exposure to coal, oil, or gas-related economic activities, with 1% of lending to non-financial corporates excluded from these benchmarks.

PTSB confirms that it has identified counterparties excluded from the EU Paris-aligned benchmarks, as per the relevant regulatory criteria. While no significant testing against the Do No Significant Harm (DNSH) criteria has been conducted, 1% of lending to non-financial corporates falls within this exclusion.

1. Ireland's Climate Action Plan 2024 (https://www.gov.ie/en/publication/79659-climate-action-plan-2024/)
2. Ireland's Climate Action Plan 2024 (https://www.gov.ie/en/publication/79659-climate-action-plan-2024/)

Material impacts, risks and opportunities and their interaction with strategy and business model

During the Bank's Double Materiality Assessment (DMA), it identified Climate-related and Environmental (CR&E) risk as a material risk.

CR&E risk is a Key Risk Category defined within the Bank's Enterprise Risk Management Framework (ERMF) of which there are two sub-risk categories, Physical Risk and Transition Risk. Both sub-risk types may act as a driver that impacts the financial services sector to varying degrees over a range of plausible climate scenarios, across the short, medium and long-term.

The Physical and Transition Risk definitions outlined within the ERMF, for reference by all Business Units, are as follows:

Physical Risk

Physical Risk, the risk of economic cost and financial losses resulting from the increasing severity and frequency of:

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

Transition Risk

The risk of economic cost, financial loss or an adverse outcome related to the process of adjustment towards a low-carbon and more environmentally sustainable economy. Transition to a low-carbon economy may require substantial policy, legal, technology and market changes. These changes may result in a financial loss and reputational risk to organisations, with the severity of this depending on the scope and speed of change required.

Transition Risk may include:

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

The impacts of climate change are predicted to occur over longer time horizons then the typical cycle of financial institutions' analysis and forecasting. To ensure a meaningful assessment of CR&E risk a review of existing defined time horizons within PTSB was conducted, considering European Central Bank (ECB) good practice, industry peers and internal processes, resulting in the below time horizons being applied within the Bank's CR&E Risk Materiality Assessment.

The Bank recognises that the time horizons that is uses for CR&E risk are not aligned to the Double Materiality Assessment (DMA) time horizons disclosed within the Sustainability Statement. This is a result of assessment activities being completed at different intervals, with some being conducted earlier in the year.

The time horizons utilised in our assessments are outlined below:

Assessment Time Horizon	Short-term	Medium-term	Long-term
Double Materiality Assessment (Sustainability Statement)	0-1 years	1-5 years	5+ years
Climate-Related and Environmental Risk (TCFD Report)	0-3 years	3-5 years	5+ years

At a Group level, Physical and Transition (CR&E) risk are considered through the following time horizons, Short-term 0-3 years, Medium-term 3-5 years and Long-term 5+ years.

The Bank completed a qualitative CR&E Risk Materiality Assessment in 2023 that served as a key exercise in the assessment of CR&E Risk and how it may impact upon other Risk Categories of the Bank. In 2024, a quantitative CR&E Risk Materiality Assessment was completed which contains a detailed review of the potential impacts of CR&E risk upon the Gross Risk Profile of the Bank across the Key Risk Categories defined in the ERMF.

The assessment included a detailed description of the relevant transmission channels between Physical and Transition Risk drivers and Risk Categories as defined in the ERMF. It built upon the 2023 assessment by leveraging plausible climate futures as developed by the Network for Greening the Financial System (NGFS) scenarios and applying quantitative analysis where appropriate.

The below table provides a description of defined CR&E risk drivers used to structure the identification and attribution of CR&E risk transmission channels. For the purposes of this exercise, the following definition of CR&E risk transmission channels was used: 'the causal impact chains that explain how CR&E Risk drivers give rise to the financial risks faced by PTSB (directly or indirectly).[3]

ERMF Sub-Risk	Driver	Description
Physical Risk	Acute	Extreme weather events and their impacts such as flooding.
	Chronic	Long-term gradual shifts to climate patterns, sea-level rise, temperature rises, and coastal erosion.
Transition Risk	Policy & Regulation	Changes to external policy and regulation to support the transition towards a low carbon economy and other climate impacts.
	Technology	Technological advancements that require businesses to adapt to remain competitive or may improve resilience to climate change.
	Behaviour & Sentiment	Changes to behaviour and sentiment (consumers, investors, suppliers, third parties, and wider market) that may impact demand for certain sustainable or green products, services, and performance.

At present, the Bank does not yet formally use climate-related scenario analysis to assess resilience.

An updated CR&E Risk Materiality Assessment was completed in 2024 that adopted a forward-looking perspective using CR&E risk transmission channels to identify how CR&E risk drivers may manifest risk across other Risk Categories as defined in the ERMF. This assessment leveraged four plausible climate futures based on the NGFS scenarios designed for use in the financial sector and applied quantitative analysis to material CR&E risk transmission channels.

During 2024, CR&E risk was measured as part of the Bank's Operational and IT Risks Pillar 2 Internal Capital Adequacy Assessment (ICAAP). A CR&E Physical Risk standalone sub-scenario was assessed through a business disruption scenario, in respect of non-financial risk impacts. In addition, the impact of CR&E risk on the Bank's Mortgage Portfolio has been completed by way of sensitivity analysis based on data as of 31st December 2023.

In addition, CR&E risk was evaluated within the Internal Liquidity Adequacy Assessment Process (ILAAP) during 2024.

Impact, risk and opportunity management

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Beyond the DMA the Bank has not undertaken a formal process to screen activities to identify actual and potential future GHG emission sources.

The Bank has assessed its actual impact on climate change (for example, its GHG emissions). An overview of the methodology and outcome of this assessment can be found in E1-6.

In 2024, a quantitative CR&E Risk Materiality Assessment was completed. Please refer to Material impacts, risks and opportunities and their interaction with strategy and business model section above for more information regarding the assessment.

Additional Physical CR&E risk analysis was performed on the Bank's Mortgage Portfolio, in line with Pillar 3 ESG disclosure requirements. PTSB first assessed the most material types of climate physical risks for its Mortgage Portfolio, with primary risk types determined to correspond to coastal, fluvial and pluvial flooding events.

The Bank has assessed sensitivity to climate change physical events using JBA Flood Risk Scores. All collaterals have been mapped to a geolocation-based Flood Score that considers the likelihood, severity, and type of flooding events under different scenarios and time periods.

For the completion of Pillar 3 Template 5, the Bank have considered 'Very High Risk' Flood Scores covering the period up to 2050 under the 'RCP8.5' scenario (which forecasts a global temperature increase of c. 5°C above pre-industrial levels by 2100).

The Bank will continue refining its Physical Risk definitions, metrics and thresholds over time as data/techniques continue to evolve.

The Climate-related Opportunities and Impacts that were identified as part of the Bank's Double Materiality Assessment can be found in ESRS 2-IRO-1.

At present, the Bank does not yet formally use climate-related scenario analysis to identify Transition Risk over the short, medium and long-term.

Through the embedding of CR&E risk within the established ERMF structure and risk categories, CR&E risk is considered as integrated across the 3LOD model of risk management. Each line of defence performs its duties by identifying and assessing CR&E risks, analysing the relevance of risks, evaluating the impact on the Bank's operations and business and formulating control measures and response strategies.

3. Basel Committee on Banking Supervision, 2021, 'Climate-related risk drivers and their transmission channels' (https://www.bis.org/bcbs/publ/d517.pdf)

The First Line of Defence (1LOD Business Units and Functions), undertake frontline commercial and operational activities and their support function is responsible for identifying, owning, managing, monitoring, and mitigating against CR&E risk.

The Second Line of Defence (2LOD Risk and Compliance Function), ensure that all CR&E risks are identified, assessed, measured, monitored, managed, and properly reported on by the relevant Business Units from across the Bank.

As the Third Line of Defence (3LOD), Group Internal Audit provide 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, in relation to CR&E risk.

E1-2 Policies related to climate change mitigation

Policies

Details of the Bank's Frameworks and Policies and how they address climate change mitigation, energy efficiency and energy certified as renewable deployment are stated below:

Policy	Climate Change Mitigation	Energy Certified as Renewable Deployment	Energy Efficiency
Climate-related & Environmental (CR&E) Risk Management Framework	✓		
Individual Accountability Framework (IAF) Conduct Standards Policy	✓	✓	✓
Business Lending Credit Policy	✓		
Residential Mortgage Lending Policy	✓		
Liquidity and Funding Risk Policy	✓		
Environmental Policy Statement	✓	✓	✓
Green Product and Proposition Design Principles	✓		
Sustainable Supplier Charter	✓		
Operational Resilience Framework	✓		
Business Continuity Policy (BCP)	✓		
Green Bond Framework	✓		

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

E1-3 Actions and resources in relation to climate change policies

Actions

The Bank has allocated resources and undertaken actions regarding climate change mitigation as follows and as outlined in the four E1-MDR-As below.

Where appropriate, climate change mitigation matters are integrated across governance mechanisms within the Bank. A CR&E Risk Management Framework has been developed that is linked to the Bank's ERMF. Throughout 2024, the Bank has continued to integrate these matters into relevant policies, as appropriate.

Further to this, the Bank has in place an overarching three-year strategic and financial plan for the Bank - The Integrated Strategic Plan.

The Plan sets out the core priorities of the Bank and considers the needs of our stakeholders. PTSB channels its investment and efforts into the activity required to deliver on the strategic initiatives that have been agreed within the Plan.

For more information on how sustainability is considered within the Bank's Integrated Strategic Plan, please refer to ESRS 2-IRO1.

In addition, the Bank has invested in resources to deliver on its sustainability objectives, which includes the appointment of a Chief Sustainability and Corporate Affairs Officer and a Head of Sustainability and supporting team. A professional services firm is in place to provide strategic guidance and advisory support.

The Bank has identified the following climate change mitigation actions:

Risk Management

The Bank follows a Three Lines of Defence Model for CR&E risk, as outlined above.

Sustainability Governance
For more information on Sustainability Governance, please refer to ESRS 2-GOV-1.

Emissions Measurement and Monitoring
PTSB adopts best practice in relation to the measurement of its carbon emissions, across Scope 1, 2 and 3 using the Greenhouse Gas (GHG) Protocol. In the measurement of the Bank's Scope 3 (financed emissions) the Partnership for Carbon Accounting Financials (PCAF), Financed Emissions Standard is utilised. Limited assurance is undertaken on the Bank's full carbon footprint by the Bank's assurance provider.

Setting GHG Emissions Reduction Targets:
Over the last number of years, we have continued to focus on improving our data and have completed a comprehensive assessment of the Bank's emissions across Scope 1, Scope 2 and Scope 3, including the Bank's financed emissions. This has enabled the establishment of a carbon baseline for the organisation, by which the Bank's SBTs have been developed. PTSB's carbon baseline has been established using FY2023 energy consumption and carbon emissions data.

During 2024, a SBT workstream was set up within the overall Sustainability Programme structure. This workstream was responsible for coordinating programming and aligning activity across the organisation, as the Bank worked to develop its SBTs and corresponding Carbon Reduction Plan. Please refer to E1-1 for further information.

Lending Policies
PTSB has in place a Business Lending Credit Policy which states that finance must not be provided to Borrowers that engage in a list of Excluded Business Activities which the Bank deem to contribute to irreversible environmental and/or social harm to society. This includes areas such as non-renewable energy (for example, extraction of gas, oil or coal), unnecessary deforestation or the sale of weapons. Meeting the requirements set out in the Policy is a condition of doing business with PTSB.

PTSB's Business Lending Policy requires that all credit applications include commentary on how ESG factors are likely to impact the applicant's future business performance.

In addition, PTSB has in place a Residential Mortgage Lending Policy that outlines the requirement for the Bank's Retail Mortgage customers to demonstrate insurance cover for Physical Risk impacts (for example, flooding).

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of sustainability-related activities. PTSB has not disclosed these figures publicly.

Environmental, Social and Governance (ESG) Due Diligence
In 2024, the Bank developed and deployed an ESG Questionnaire (ESGQ), which includes climate-change mitigation-related questions for our Business Banking customers. The ESGQ forms part of the loan origination procedure for SME lending. This due diligence facilitates the Bank's understanding regarding risks related to climate change and integration into its credit and lending decisions.

Product Development
PTSB has in place a Green Mortgage offering, a 5-Year and 3-Year Fixed Rate Product available to all new and existing home loan customers, where their homes have a confirmed or proposed BER of A1 to B3. The Bank built on the success of its 5-Year Fixed Rate product, by introducing a 3-Year Fixed option for customers during 2024.

In addition, the Bank was pleased to be the first lender to participate in the SBCI's Home Energy Upgrade Loan Scheme, aimed at supporting eligible applicants who wish to invest and improve in the energy efficiency of a residential property.

Procurement
Sustainable Sourcing and Procurement is at the heart of the Bank's Sustainability Strategy and ensuring that we purchase goods and services and engage with our suppliers in a sustainable way is fundamental to its delivery. Our Procurement Policy sets out a framework for engaging with our suppliers, including a commitment to procure goods and services from suppliers who can support the needs of our business in a sustainable manner. The Framework is supported by our Sustainable Supplier Charter, which sets out our expectations of suppliers and acts as a 'Code of Conduct' detailing what is expected from all suppliers regarding business practice and responsibilities as a supplier to PTSB. We have categorised our Sustainable Supplier Charter into 7 core areas, in line with ISO20400 which outline our expectation, including Environmental matters.

Disclosures
The Bank reports its climate-related disclosures in line with its supervisory expectations as part of Pillar 3, TCFD and the Sustainability Statement. In addition, the Bank voluntarily discloses through CDP (formerly the Carbon Disclosure Project) each year.

In alignment with the EU Taxonomy requirements, below are the key performance indicators (KPIs) that reflect the Bank's commitment to sustainability through the measurement of Taxonomy-eligible and Taxonomy-aligned activities.

Green Asset Ratio (GAR)
GAR KPI Stock: This metric represents the total value of assets or investments that are classified as Taxonomy-eligible or Taxonomy-aligned at a specific point in time. It provides a snapshot of the Bank's exposure to economic activities that meet the criteria set out in the EU Taxonomy, reflecting the cumulative value of such activities within the Portfolio.

GAR KPI Flow: This metric captures the value of new investments or activities that are classified as Taxonomy-eligible or Taxonomy-aligned over a defined reporting period. It highlights the Bank's ongoing commitment to supporting sustainable economic activities and demonstrates the transition towards a greener Portfolio by tracking the inflow of eligible investments during the reporting cycle. PTSB has in place a Green Mortgage offering, a 5-Year and 3-Year Fixed Rate Product available to all new and existing home loan customers, where their homes have a confirmed or proposed BER of A1 to B3. The Bank's GAR flow considers the Bank's Green Mortgage Lending, however, not all lending categorised as Green would have met all of the data or technical screening criteria for full taxonomy alignment as at the reporting date.

Main KPIs and Additional KPIs

2024

		Total environmentally sustainable assets	KPI **	KPI ***	% coverage (over total assets)*	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	1854	7.98%	7.98%	6.32%	6.42%	20.82%
Additional KPIs	GAR (flow)	360	14.80%	14.80%	9.61%	7.48%	35.07%
	Trading book	-	-	-			
	Financial guarantees	-	-	-			
	Assets under management	-	-	-			
	Fee and commissions income	-	-	-			

* % of assets covered by the KPI over banks´ total assets
** Based on the Turnover KPI of the counterparty
*** Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
Note 1: Fees and Commissions and Trading Book KPIs shall only apply starting 2026. SMEs´ inclusion in these KPI will only apply subject to a positive result of an impact assessment.

2023

		Total environmentally sustainable assets	KPI **	KPI ***	% coverage (over total assets)*	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	475	2.03%	2.03%	1.68%	6.51%	17.45%
Additional KPIs	GAR (flow)	110	2.82%	2.82%	2.32%	8.44%	17.49%
	Trading book	-	-	-			
	Financial guarantees	-	-	-			
	Assets under management	-	-	-			
	Fee and commissions income	-	-	-			

Note: % coverage (over total assets) has been restated to align to 2024 approach i.e. total covered assets / total assets
* % of assets covered by the KPI over banks´ total assets
** Based on the Turnover KPI of the counterparty
*** Based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used
Note 1: Fees and Commissions and Trading Book KPIs shall only apply starting 2026. SMEs´ inclusion in these KPI will only apply subject to a positive result of an impact assessment.

For the 31 December 2024 disclosure, the Bank has reviewed the book for exposures to nuclear gas related and fossil gas related activities based on the questionnaire provided in Annex XII Template 1. The Bank has no exposures to these activities as of the 31 December 2024 or 31 December 2023.

For the disclosure, the Bank reviewed the book for exposure based on the below questionnaire provided in Annex XII Template 1.

Row	Nuclear gas related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Metrics and targets

E1-4 Targets related to climate change mitigation

Targets

As outlined in E1-1, during 2024 the Bank worked to develop our SBTs which will be submitted to the SBTi during Q1 2025 for validation. We will communicate our Targets once the validation process reaches completion.

The GHG Protocol Corporate Standard was used to calculate the Bank's carbon footprint. The process involved:

Setting Boundaries:

- PTSB employs the GHG Protocol methodology to establish the organisational boundaries for its greenhouse gas (GHG) inventories. The calculation of its carbon footprint adopts an operational control approach, allowing PTSB to account for 100% of Scope 1 and Scope 2 emissions from operations where it has full authority to implement operating policies.
- To effectively define its Portfolio Target Boundary, the Bank has ensured that its targets collectively cover at least 67% of its relevant activities.[4]
- PTSB analysed the proportion of its total investment and lending activities to assess these boundaries. The calculation's denominator includes all 'Required Activities' and 'Optional Activities', while the numerator consists of activities covered by the targets. The Bank set boundaries to determine what was in and out of scope for the purpose of target setting in accordance with the SBTi Framework. Setting boundaries was a critical stage for PTSB to ensure that the correct parameters were used throughout the process, enhancing efficiency and facilitating obtaining the SBTi validation in a desirable timeframe.

Establishing a baseline for Targets:

- Following a programme of work, the Bank established a carbon baseline for the organisation on which its SBTs have been developed. The baseline uses FY 2023 energy consumption and associated carbon emissions data to calculate Scope 1, 2 and 3 (Mortgage Portfolio) emissions. Baseline emissions represent the recorded GHG emissions before any reduction strategies are implemented, serving as a reference point for measuring current and future emission reductions.

4. SBTi's Version 2 Guidance for Financial institutions

In 2024, the Bank achieved the following GHG Emissions Reductions for Scope 1, 2, and 3 (including financed emissions).

Emission source	Parameters	2023 (tCO2e)	2024	Absolute value (tCO2e)	% Change
Scope 1	Fuel combustion	841	882	41	5%
Scope 2: Location-based value	Purchased Electricity	2,217	1,714	-503	-23%
Scope 2: Market-based value	Purchased Electricity	0	0	0	0%
Total Scope 1 & 2	Location-based value	3,058	2,596	-462	-15%
Total Scope 1 & 2	Market-based value	841	882	41	5%
Scope 3 Emissions					
Scope 3 - Category 1	Purchased Goods and Services	19,117	19,586	469	2%
Scope 3 - Category 2	Capital Goods	662	869	207	31%
Scope 3 - Category 3	Other Fuel & Energy	335	317	-18	-5%
Scope 3 - Category 4	Upstream Transportation and Distribution	1,827	838	-989	-54%
Scope 3 - Category 5	Waste	7	2	-5	-71%
Scope 3 - Category 6	Business Travel	167	272	105	63%
Scope 3 - Category 7	Employee Commuting	5,840	6,024	184	3%
Scope 3 – Category 15*	Financed Emissions	267,865	273,571	5,706	2%
Scope 3 - Total		295,820	301,479	5,659	2%
Combined Emissions					
Total Scope 1, 2 & 3	Location-based value	298,878	304,075	5,197	2%
Total Scope 1, 2 & 3	Market-based value	296,661	302,361	5,700	2%

* Scope 3 Category 15 financed emissions include emissions for the Mortgage Portfolio for 2023. For 2024, this figure includes the Mortgage Portfolio and Asset Finance – Motor Vehicle Loan emissions.

Notes:
- Total Scope 1, 2, and 3 GHG emissions were previously reported as 345,093 tCO_2e in the PTSB Annual Report 2023 The revision in the figure is due to refinements in data quality and accuracy used in calculating the mortgage portfolio financed emissions.
- Data was calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, ('GHG Protocol') methodology and Partnership for Carbon Accounting Financials (PCAF) Financed Emissions Standard.
- Emission factors were sourced from DEFRA's Greenhouse gas reporting: conversion factors 2024, the Commission of Utilities (CRU) 2023, Carbon Cube, Climatque and Motorcheck.ie.
- The CarbonCube® uses procurement spend data to calculate carbon emissions. Spend data is categorised, and emissions factors are matched to the categorised spend to calculate emissions. This data can then be enhanced over time with supplier-specific data, as it becomes available.
- We adopt the operational control approach on reporting boundaries. In 2024, the data covers 100% of our operations in the Republic of Ireland.
- All 15 categories of Scope 3 emissions were evaluated, and material categories have been disclosed.
- Category 15 includes the Bank's Retail and Commercial Mortgage Portfolio and Asset Finance Motor Vehicle Loans for Personal and Business Banking customers. Mortgage Portfolio emissions are calculated as a product of Carbon Intensity*LTV*Floor Area. LTV is calculated as (Accumulated Balance Amount)/(Original Value Amount), generating a value between 0 and 1. Asset Finance Motor Vehicle Loan emissions are calculated as a product of attribution factor*distance travelled*CO_2 Emissions. Attribution factor is calculated as (Outstanding Amount / Total value at origination), generating a value between 0 and 1.
- Data is subject to estimation and there exists limitations of the accuracy of the data as an input to the estimate. Our approach will continue to evolve in line with industry developments and as data quality improves.
- Figures are rounded.

Detailed carbon emissions calculation methodology:

Scope 1 Emissions Methodology:
Scope 1 includes direct GHG emissions from sources that are owned or controlled by the Bank, such as natural gas combustion and company owned vehicles.

To calculate the Bank's carbon emissions (tCO2e) for Scope 1, the Bank used energy use activity data for its Scope 1 emissions categories. The 2024 emission conversion factors, published by the UK Department for Environmental, Food and Rural Affairs (DEFRA), was applied to each of the identified emission sources across the organisational boundary.

*GHG emissions (tCO2e) = activity data (Unit) * Emissions factor (DEFRA 2024, tCO2e/unit)*

Scope 2 Emissions Methodology:
Scope 2 accounts for GHG emissions from the generation of purchased electricity, heat and steam generated off-site. The emissions are reported using both a location-based method and a market-based method.

Using a location-based approach, the Bank applies the emission conversion factor provided by the Irish Commission for Regulation of Utilities (CRU).

*GHG Emissions (tCO2e) = activity data (Unit) * Emissions factor (CRU 2023, tCO2e/kWh]*

For Scope 2 emissions, the Bank procures 100% energy certified as renewable. As a result, the Bank's Scope 2 emissions using a market-based approach (emissions the Bank is responsible for through its purchasing decisions) are 0.

Scope 1 and 2
During 2024, we continued to make progress in reducing our Scope 1 and 2 carbon emissions. This has been achieved through the procurement of 100% energy certified as renewable from our electricity providers, efficiencies in energy use by the business through initiatives aimed at reducing our carbon footprint and the impacts of hybrid working with 68% of our organisation now availing of our smarter working options.

Scope 3 Emissions Methodology
Scope 3 includes all the Bank's other indirect emissions: Purchased Goods and Services, Capital Goods, Other Fuel and Energy, Transportation and Distribution, Waste, Business Travel, Employee Commuting (including home working) and Investments (financed emissions).

As part of our ongoing commitment to reduce our carbon footprint, during 2024, we progressed our data collection processes for our Scope 3 emissions. Through our partnership with Efficio, we have used the CarbonCube® spend based carbon footprint calculator, refining the methodology of calculating emissions through detailed classification of spend categories for Purchased Goods and Services, Capital Goods, Upstream Transportation and Distribution and Business Travel.

For emissions associated with Waste and Water, activity data provided directly from our suppliers is used to calculate emissions. For Employee Commuting, an employee survey is used to gather responses on our colleagues commuting and work from home habits.

Mortgage Portfolio
Over the past number of years, the Bank has been reporting on its Mortgage Portfolio emissions. Throughout 2024, this process was streamlined, and further data enhancements have led us to revise our Mortgage Portfolio emissions which constituted 93% of the Bank's total Loan Book as of 31 December 2024. The data refinement approach has supported us in the development of our SBTs and associated Carbon Reduction Plan. We will continue to monitor and measure our Mortgage Portfolio emissions.

To calculate emissions associated with the Mortgage Portfolio, the Bank used available BER codes that have a kg CO2e/m2 identified, currently c.22%. To address the gap, a BER proxy process was developed to estimate the BER rating where no valid BER certificate was available.

This process relies on identifying the property location by matching property addresses to Eircodes and available collateral characteristics (age, dwelling type, heating fuel type and location) to estimate BERs and kg CO2e/m2.

The proxy methodology stems from the creation of a Lookup Table which is generated using the data sourced externally from the Sustainable Energy Authority of Ireland (SEAI), which contains a complete list of c.1.2 million properties from the national distribution. This Lookup Table contains averaged ratings across key characteristic variables present in both datasets. These averages are what are used to fill in the blanks of unknown data points within the mortgage book and are extrapolated to generate the Financed Emissions estimate.

Using the standards set by the Partnership for Carbon Accounting Financials (PCAF), the emissions are calculated as follows:

Financed Emissions = Σ(Attribution Factor x Buildings Emissions)

This process resulted in a total estimate for Scope 3 Financed Emissions for the Retail Mortgage Portfolio of 252,817 tCO2e and Commercial Mortgages of 3,677 tCO2e for 2024., resulting in a 4% reduction in absolute emissions since 2023.

Asset Finance
During 2024, the Bank measured the financed emissions associated with its Asset Finance Motor Vehicle Loans for the first time.

To calculate emissions associated with the Motor Vehicle Loans, the Bank sourced CO2 values for each vehicle measured in grams per kilometre (g/km) and the average kilometres travelled in the year (segmented by vehicle and fuel types) from external sources, currently for 60% of the motor vehicle exposure. A proxy value was then used to estimate the emissions for the remaining 40% of the Portfolio.

This process resulted in a total estimate for Scope 3 Financed Emissions for Asset Finance Motor Vehicle Loans of 17,077 tCO2e for 2024.

E1-5 Energy consumption and mix

Energy Consumption and Mix

The below table outlines the Bank's energy consumption and mix for 2024.

Energy Source	Unit	Conversion Formula	Activity Data 2024	Energy (MWh) 2024
Natural Gas	kWh	Energy (kWh)/1000	2,156,995	2,157.00
Kerosene	Litres	(Litres x density (MJ/l) /3600	6,500	63.84
Gas Oil	Litres	(Litres x density (MJ/l) /3600	3,664	40.84
Diesel	Litres	(Litres x density (MJ/l) /3600	127,892	1,173.41
Petrol	Litres	(Litres x density (MJ/l) /3600	52,916	538.12
F-Gas (R410A)	kg	(F-Gas in kg x density (MJ/kg))/ 3600	26	0.0016
Electricity	kWh	Energy (kWh)/1000	7,685,694	7,685.69

PTSB's Scope 2 emissions related to electricity consumption for 2024 is 7,686 MWh (100% energy certified as renewable).

Energy intensity based on gross carrying amounts

The Bank has undertaken an assessment of climate change Transition Risk: Exposures to GHG-intensive and energy intensive assets and products.

The Bank's alignment efforts with the Paris Agreement objectives for a selected number of sectors and the extent to which financial flows are consistent with a pathway towards low greenhouse gas emissions and climate-resilient development as defined in the Paris Agreement.

These sectors account for 0.26% of the total gross carrying amounts.

	Sector	Portfolio gross carrying amount (Mn EUR)
1	Power	2
2	Fossil fuel combustion	-
3	Automotive	4
4	Aviation	42
5	Maritime transport	4
6	Cement, clinker and lime production	17
7	Iron and steel, coke, and metal ore production	-
8	Chemicals	-

Detailed above are the high impact sectors identified through the Bank's assessment of climate change Transition Risk: Exposures to GHG-intensive and energy intensive assets and products. The above reflects gross carrying amounts and not net revenue as required by the CSR Regulation. The above gross carrying amounts aligns to the Bank's Pillar 3, Template 3 disclosure.

E1-6 Gross Scope 1, 2, 3 and Total GHG emissions

The below table provides an overview of the Bank's Gross Scope 1, 2, and Scope 3 emissions (including Scope 3 Financed Emissions) in metric tonnes of CO2eq.

Emission Scope	2023 (tCO2e)	2024 (tCO2e)
Scope 1	841	882
Scope 2 (Location-based value)	2,217	1,714
Scope 2 (Market-based value)	0	0
Scope 3	295,820	301,479
Total*	**298,878**	**304,075**

* Total based on Scope 2 Location-based values

PTSB will disclose change in the reported emissions on an annual basis, including the emissions related to our upstream and downstream value chain. The Bank will explain the effect that this change has on the year-to-year comparability of our reported GHG emissions.

The below table provides an overview of the gross Scope 1 GHG emissions for 2023 (Base Year) and 2024, by activity data and tCO2e.

Emission source	Unit	Activity Data 2023	2023 (tCO2e)	Activity Data 2024	2024 (tCO2e)
Natural Gas	kWh	1,768,829	324	2,156,995	395
Kerosene	Litres	4,000	10	6,500	17
Gas Oil	Litres	2,907	8	3,664	10
Diesel	Litres	164,051	412	127,892	321
Petrol	Litres	1,460	3	52,916	110
F-Gas (R410A)	Kg	74	84	26	29
Total Scope 1 tCO2e		**-**	**841**	**-**	**882**

The below table provides an overview of the gross Scope 2 GHG emissions for 2024: Location-based and Market-based values by activity data and tCO2e.

Emission source	Unit	Activity Data 2023	2023 (tCO2e)	Activity Data 2024	2024 (tCO2e)
Location- based	kWh	9,476,427	2,217	7,685,694	1,714
Market- based*	kWh	9,476,427	0	7,685,694	0

*PTSB's market-based emissions were 0 tCO_2e in 2023 due to procurement of 100% energy certified as renewable in 2023. PTSB will continue to commit to purchasing energy certified as renewable across its operations to maintain Scope 2 market-based emissions at 0

The below table details the sum of Scope 1, 2 and 3 GHG emissions using the Scope 2 location based and market-based values for 2023 and 2024.

	2023 (tCO2e)	2024 (tCO2e)	2024 Change (tCO2e)	2024 % Change
Scope 1	841	882	41	5
Scope 2 (Location-based value)	2,217	1,714	-503	-23
Scope 2 (Market-based value)	0	0	0	0
Scope 3	295,820	301,479	5,659	2%
Total (Location-based value)	**298,878**	**304,075**	**5,197**	**2%**
Total (Market-based value)	**296,661**	**302,361**	**5,700**	**2%**

- The Bank has no biogenic emissions of CO_2 from the combustion or bio-degradation of biomass to disclose in 2024.
- No removals, or any purchased, sold or transferred carbon credits or GHG allowances have been included in the calculation of GHG emissions in 2024.
- No activities reported under the EU Emissions Trading System.

GHG Intensity based on net revenue and Headcount for 2023 and 2024

The below table provides an overview of the Bank's GHG emissions intensity (total GHG emissions (CO2e per net revenue) for 2023 and 2024.

	2023 (tCO_2e/€m Rev)	2024 (tCO_2e/€m Rev)	Change (tCO_2e/€m Rev)	% Change
Total (Location-based value)/€million Revenue	343.54	303.47	-40.07	-12%
Total (Market-based value)/€million Revenue	340.99	301.76	-39.23	-12%

PTSB's intensity figures for 2023 and 2024 are based on revenues of €870m and €1,002m respectively.

The below table provides an overview of the Bank's GHG emissions intensity (total GHG emissions (CO2e per Headcount) for 2024).

	2023 (tCO2e/ Headcount)	2024 (tCO2e/ Headcount)	Change (tCO2e/ Headcount)	% Change
Total (Location-based value)/Headcount	89.75	87.96	-1.79	-2%
Total (Market-based value)/Headcount	89.09	87.46	-1.62	-2%

PTSB's intensity figures for 2023 and 2024 are based on Total Employee Headcount of 3,330 and 3,457 respectively.

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

PTSB has no GHG removals and storage in its own operations or upstream and downstream value chain to report. PTSB procures 100% energy certified as renewable directly from its electricity provider which is certified by the Commission of the Regulation of Utilities (CRU) of its use of Guarantee of Origin (GO) certificates.

PTSB has no GHG emission reductions or removals from climate change mitigation projects to report.

PTSB has not made any public claims of GHG neutrality that involve the use of carbon credits.

E1-8 – Internal carbon pricing

PTSB does not apply an internal carbon pricing scheme, for example, the shadow prices applied for CapEX or research and development investment decision making, internal carbon fees or internal carbon funds.

E1 Minimum Disclosure Requirements

As part of the development of the Bank's Impacts, Risks and Opportunities (IROs), themes were identified, and the Minimum Disclosure Requirements (MDRs) have therefore been consolidated under thematic headings. The four themes under which the Bank has disclosed its material Environmental IROs are: E1 MDR1 Own Emissions; E1 MDR2 Own Operations; E1 MDR3 Regulatory Risk; and, E1 MDR4 Product Financing.

E1 MDR 1 - Own Emissions

The IROs reflected in E1 MDR1 are outlined below.

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
I-2	Impact	The impact PTSB has on the environment by reducing emissions, in business operations.	The Bank's own operations can impact the environment in several ways including energy consumption, waste generation, water usage, transportation, real estate, technology infrastructure, procurement and through the supply chain. PTSB will have tangible and potential direct impacts on the external environment by reducing emissions through the decarbonisation of its operations including transitioning to energy certified as renewable sources, the migration of services to online channels, and the use of electric vehicle charging points. Through the implementation of sustainable water and waste management practices, including monitoring consumption and adopting water-saving measures, utilising recycling and waste management stations, and by screening suppliers for responsible practices, the Bank will also have tangible and potential direct impacts on water consumption, resource use, and waste in its business operations. The similarities in each of these impacts have been consolidated based on their shared actual or potential impact of minimising the Bank's environmental footprint and contributing to a more sustainable future.	Positive	Both
O-2	Opportunity	The opportunity for PTSB to reduce operational costs and improve its reputation by making internal investments/ decisions that are considerate of the environment.	PTSB has an opportunity to reduce operational costs and improve reputation through environmentally considered internal investments and decisions. The Bank considered a wide range of related opportunities including initiatives such as transitioning to energy certified as renewable sources, improving water and resource efficiency, implementing circular economy principles, the digitalisation of external communications, and a commitment to reduce waste and support sustainable waste management practices. The extensive suite of opportunities was consolidated due to their shared objective of reducing operational costs through optimised resource and energy management. Additionally, each action supports PTSB's alignment with growing customer expectations surrounding sustainability and sustainable practices, enhancing brand loyalty.	n/a	n/a

E1- MDR1-P Policies adopted to manage Own Emissions

The Bank has the following Frameworks and Policies to address climate change mitigation, energy efficiency, and renewable energy deployment.

- Business Continuity Policy
- CR&E Risk Management Framework
- Environmental Policy Statement
- Operational Resilience Framework
- Regulatory Compliance Framework
- Smart Working Framework
- Sustainable Supplier Charter

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

The following Stakeholders are affected:

- Members of the Board and its Committees, Management Committees and Risk Committees;
- All employees, as defined in ESRS S1 Own Workforce;
- Shareholders and Investors; and,
- Owners of interlinked Frameworks and Policies who are responsible for aligning their Frameworks, Policies, and Procedures.

The Assets and Liabilities Committee (ALCo) is a sub-committee of the ExCo and is responsible for overseeing pricing decisions. As such, the Bank's Green Mortgage was brought through the Committee for approval prior to implementation.

The Sustainability Committee (SusCo) is a sub-committee of the ExCo and is responsible for the establishment and oversight of the Carbon Reduction Plan and associated Policies.

Customer Committee (CustCo) is a sub-committee of the ExCo and is chaired by the Chief Retail Banking Officer. The Committee approves new, and changes to current, products and services that are aligned to the Bank's Sustainability Strategy which includes consideration for climate-related sustainable finance products and propositions.

The Bank has the following commitments in place:

- PTSB is required to comply with legislation and regulations relevant to CR&E risk management, including from the Central Bank of Ireland (CBI) and the European Central Bank (ECB). These include the ECB's Guide on Climate-related and Environmental Risk and the European Central Bank's Report on the supervisory review of Banks' approaches to manage climate-related and environmental risks;
- The Bank recognises the role it will play in financing elements of Ireland's Climate Action Plan (CAP) provides a detailed plan for taking decisive action to achieve a 51% reduction in overall greenhouse gas emissions by 2030 and setting the country on a path to reach Net Zero emissions by no later than 2050. The Bank understands its role in financing elements of Ireland's CAP;
- A Board-approved Sustainability Strategy aligned to the United Nation's Sustainable Development Goals (UN SDGs);
- A commitment to setting SBTs and developing a corresponding Carbon Reduction Plan; and,
- PTSB is a supporter of the Task Force on Climate-related Financial Disclosures (TCFD) and issued its inaugural TCFD Report during 2023.

The Bank has considered its value chain when preparing its Carbon Reduction Plan, and other relevant Frameworks and Policies.

Public Communications

Details of sustainability considerations for PTSB customers can be found on the Bank's website. This includes sharing information on our Green Mortgage offering, as well as the Bank's participation in the SBCI Home Energy Upgrade Loan Scheme to support customers in their transition to a low carbon economy.

Additional detail can be found in PTSB's Sustainability Strategy 2022-2026 and Annual Report (which includes our TCFD disclosure), outlining our commitment to reducing our GHG Emissions. Both documents can be found online.

E1- MDR1-A Actions and resources in relation to Own Emissions

At PTSB, we know that the use of energy in our facilities and our Scope 3 financed emissions are significant contributors to our overall carbon emissions and that to reduce our impact on climate change, we need to address our own energy usage and enhance our green product offerings to support our customers.

To achieve reductions in our Scope 1 and 2 emissions associated with energy use, we are committed to reducing our overall consumption, while also moving to low carbon energy sources. In 2024, we took additional action to minimise the carbon impact of our operations through continuing to invest in energy efficiency initiatives and programming, including:

- Purchasing 100% energy certified as renewable from our electricity provider and being provided a green energy certificate;
- Introducing energy smart metres across our branch locations to get information relating to consumption in real time;
- Implementing LED lighting across our branch network as part of our ongoing branch refurbishment process; and,
- Completing the migration of our data centre to a new and more efficient building.

To achieve reductions in our Scope 3 financed emissions we continue to advance green product and proposition development and the provision of support for customers on their sustainability journey; including through our Green Mortgage offering, a 5-Year and 3-Year Fixed Rate Product available to all new and existing home loan customers, where their homes have a confirmed or proposed BER of A1 to B3. The Bank built on the success of its 5-Year Fixed Rate product, by introducing a 3-Year Fixed Rate option for customers during 2024.

In addition, the Bank was pleased to be the first lender to participate in the SBCI's Home Energy Upgrade Loan Scheme, aimed at supporting eligible applicants who wish to invest and improve in the energy efficiency of a residential property. PTSB was successful in obtaining €100m in funding and was the first Bank to launch the Scheme to the market in April 2024

Information regarding the calculations of the Bank's carbon emission values and corresponding reduction activity can be found in E1-6.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of Own emission reduction activity. PTSB has not disclosed these figures publicly.

E1- MDR1-M Metrics in relation to Own Emissions

The following metrics are utilised to evaluate the performance and effectiveness of the Bank's actions:

- The Bank is committed to measuring and disclosing its carbon footprint across Scope 1, 2 and 3, including intensity metrics as well as calculating and disclosing consumption data related to energy use;

There is a CR&E risk metric in place that is monitored following standard reporting procedures to relevant governance committees. This metric captures the energy efficiency of the Mortgage Portfolio through Building Energy Ratings (BER). This metric is used to understand exposure to Transition Risk and the impact of financed emissions.

PTSB has not disclosed these metrics publicly.

- c.€875 million in green lending drawn down during 2024, accounting for 43% of New Mortgage Lending and +28% YoY; and,
- Drawdowns associated with the SBCI Home Energy Upgrade Loan Scheme.

Further information regarding the methodologies and assumptions behind the metrics (including the limitations of the methodologies used) can be found in E1-1 to E1-7.

E1-MDR1-T Tracking effectiveness of policies and actions through targets

As outlined in E1-1, during 2024 the Bank worked to develop our SBTs which will be submitted to the SBTi during Q1 2025 for validation. We will communicate our Targets once the validation process reaches completion. As we worked to set our SBTs, bank-wide stakeholder engagement sessions were conducted to establish targets, set decarbonisation pathways, and gather insights that were fed into the targets and the corresponding Carbon Reduction Plan.

E1-MDR 2 – Own Operations

The IROs reflected in E1-MDR2 are outlined below.

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
R-11	Risk	**Service Availability Risk** The risk that the performance and availability of IT systems and data are adversely impacted (e.g. customer experience or business processes), including the inability to recover the Bank's services in a timely manner, due to a failure or IT hardware or software components; weaknesses in IT system management; or any other event.	Elements of this risk have been mapped to the climate change mitigation subtopic. These relate to: • Physical climate risk of weather events on the Bank's operations including data centres and branch operations. • Transition climate risk as a result of the transformation of processes and systems to meet regulatory requirements.	n/a	n/a

E1-MDR2-P Policies adopted to manage Own Operations

Physical Risk may impact the Bank's business operations and may trigger the Business Continuity Plan (BCP) or impact IT (data centre vulnerabilities). This may also impact third party suppliers depending on the geographical locations of their supply chain.

The Bank has in place individual Business Unit Business Continuity Management (BCM) plans and an Enterprise Incident Response Plan which consider adverse weather conditions that may, in some cases, cause a reduction in operational capacity.

The following Frameworks and Policies are in place to support delivery of the Business Unit BCM plans as well as the Enterprise Incident Response Plan:

- Operational Resilience Framework
- Business Continuity Policy
- Adverse Weather Policy
- Driving for Work Protocol
- Smart Working Framework

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

These Frameworks and Policies outline the Bank's approach to service availability risk and business continuity. The following stakeholders are affected by these policies:

- Members of the Board and its Committees, Management Committees and Risk Committees;
- All employees, as defined in ESRS S1 Own Workforce;
- Shareholders and Investor;
- Business Banking Customers;
- Retail Customers;
- Third party service providers;
- External stakeholders, including Regulators and Supervisors who require an overview of the climate-related and environmental regulatory compliance management principles, process, and governance arrangements; and,
- Owners of interlinked Frameworks and Policies who are responsible for aligning their Frameworks, Policies, and Procedures.

The Board has overall responsibility for oversight of the Frameworks and Policies related to PTSB's own operations and operational resilience.

The Operational Resilience Framework details the Bank's approach to managing Operational Resilience across the three pillars of Identify and Prepare, Respond and Adapt, and Recover and Learn, and considers the interests of customers, colleagues and wider society and the importance of maintaining delivery of services.

Annual Training is delivered through the Operational Resilience eLearning module in Q1 each year, with additional BCM training provided to the Incident Management Team, Exceptional Situation Management Committee, Heads of Function, and BCM Coordinators annually.

E1-MDR2-A Actions and resources in relation to Own Operations

PTSB has made the following progress in relation to the management of Service Availability risk within its Own Operations across the Bank.

- The Bank's Business Continuity Management (BCM) Plan considers adverse weather conditions that may, in some cases, cause a reduction in operational capacity.
- Our Enterprise Incident Response Plan is driven by a dedicated Resilience Committee who reviews our preparation at regular intervals. There is an Adverse Weather Policy in place that provides guidelines should such circumstances arise.
- The Bank has a tiered structure for dealing with incidents, including weather-related incidents that could impact our operations. There is an Incident Management Team (IMT) in place, which is made up of the Head of Functions from across the Bank. This team has the option to escalate incidents to the Exceptional Situation Management Team (ESMT), which is a subset of the Executive Committee.
- In line with our Operational Resilience Framework, the Bank complete a number of scenario tests each year and in the past, severe weather scenarios have been used for the exercise. Learnings from the above are reviewed and integrated into the Bank's BCM planning processes and shared wider at the Resilience Committee as appropriate.
- PTSB's Hybrid Working Programme has increased the resilience of the Bank's operations in recent years, with the majority of colleagues having the ability to work from home.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of activity. PTSB has not disclosed these figures publicly.

E1-MDR2-M Metrics in relation to Own Operations

PTSB has not disclosed these metrics publicly.

E1-MDR2-T Tracking effectiveness of policies and actions through targets

PTSB has not disclosed these targets publicly.

E1-MDR3 - Regulatory Risk

The IROs reflected in E1-MDR3 are outlined below.

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
R-1	Risk	Change Management: The risk arising from inability of the Bank to manage projects and changes to a high quality standard and in a timely and controlled manner, in particular for large and complex change programmes will not achieve the desired outcomes, will have a negative impact on resource levels of the Bank or in case of regulatory based requirements may result in fines or sanctions.	Change Management has been identified as a Top 10 risk for the Bank. Elements of this risk have been mapped to the climate change mitigation subtopic. The Bank will be subject to challenges when implementing changes to its operational processes and IT systems to fulfil strategic change projects and meet changing regulatory requirements associated with the transition to a low carbon economy.	n/a	n/a
R-2	Risk	Climate-related and Environmental Risk (CR&E): The risk of financial loss or an adverse outcome arising from the consequences, likelihoods and a lack of or inadequate response to the impacts of climate change.	CR&E risk has been mapped to the climate change mitigation subtopic. CR&E risk for the Bank is categorised into Physical and Transition risk. The Bank identified a number of elements pertaining to CR&E risk, including adverse weather conditions and long term climate shifts causing a reduction in operational capacity; strategy amendments, including climate change mitigation ambitions, governmental initiatives, credit risk and exposures to issues with commercial and retail borrower repayment ability; current and emerging climate-related and environmental (CR&E) regulatory requirements and compliance costs; IT risk management; CR&E model risk; market risk and public and investor opinion of ESG; and changes to collateral impacting liquidity and funding.	n/a	n/a
R-3	Risk	Credit Risk: The risk of financial loss due to the failure of a customer, or counterparty, to meet their financial obligations to the Bank as they fall due.	Credit Risk has been mapped to the climate change mitigation subtopic. Within the topic of climate change mitigation, the Bank identified a number of factors as contributing to credit risk. These include the types of properties financed; emerging regulation affecting industries with poor sustainability credentials; climate change impacting economic growth and energy prices; exposure of individuals and their income to climate risks; increased exposure to climate risk within the SME and commercial financing portfolio and technological changes resulting in reduced payment capacity and inability to meet loan requirements.	n/a	n/a

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
R-9	Risk	Regulatory Compliance Risk: The risk of material financial loss or liability, legal or regulatory sanctions, or brand damage arising from the failure to comply with or adequately plan for change to, official sector policy, laws, regulations, major industry standards, compliance policies and procedures or the expectations of customers and stakeholders.	Elements of this risk have been mapped to the climate change mitigation Subtopic. CR&E risk continues to increase in prominence globally resulting in additional supervisory and regulatory requirements for the Bank. The Bank considers these sustainability regulations as adding to its regulatory compliance risk.	n/a	n/a

E1-MDR3-P Policies adopted to manage Regulatory Risk

The Bank is committed to ensuring it manages and monitors its Regulatory Risk, Credit Risk, CR&E Risk and Change Management practices appropriately. To support this commitment the Bank has implemented the following policies.

- Enterprise Risk Management Framework
- Regulatory Compliance Framework
- Credit Risk Management Framework
- PTSB Business Lending Policy
- Group Credit Policy
- Collateral Valuations Policy
- Enterprise Risk Management Framework
- Personal Lending Policy Consumer Non-Mortgage Lending
- Residential Mortgage Lending Policy
- CR&E Risk Management Framework
- Change Framework
- Change Risk Policy
- Sourcing and Procurement Policy
- Third Party Risk Management Policy

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

Regulatory Compliance Risk, Credit Risk, CR&E Risk and Change Management Risk stakeholder groups within the Bank include the following:

- Members of the Board and its Committees, Management Committees and Risk Committees;
- All employees, as defined in ESRS S1 Own Workforce;
- Shareholders and Investor;
- Business Banking Customers;
- Retail Customers;
- Third party service providers;
- External stakeholders, including Regulators and Supervisors who require an overview of the climate-related and environmental regulatory compliance management principles, process, and governance arrangements; and,
- Owners of interlinked Frameworks and Policies who are responsible for aligning their Frameworks, Policies, and Procedures.

Regulatory Risk, Credit Risk and CR&E Risk

The Board has overall responsibility for oversight of regulatory risk, including the regulatory risk associated with CR&E risk.

The Head of Regulatory Compliance and Conduct Risk is responsible for the implementation of the Regulatory Compliance Framework.

The Bank's Three Lines of Defence Model and function activities are outlined in ESRS 2-GOV1.

The Bank is committed to complying with European and local CR&E risk regulatory requirements. This includes complying with legislation and regulations relevant to Climate Risk and CR&E risk management, including from the Central Bank of Ireland and the European Central Bank.

By promoting transparency, fairness, and due diligence in credit assessments, the Bank fosters trust and accountability, enhancing customer confidence and reducing the likelihood of defaults. This approach supports a sustainable credit environment, contributing to long-term financial stability for both the Bank and its customers.

The Bank demonstrates a strong commitment to transparency and accountability by actively respecting a range of third party standards and initiatives through its Policies. In addition, we are committed to supporting customers that are experiencing financial difficulty and seeks to work with those customers to find a sustainable solution through proactive arrears management and forbearance. PTSB's Credit Policy and procedures are designed to comply with the requirements of the CBI Code of Conduct on Mortgage Arrears (CCMA), which sets out the Framework that must be used when dealing with borrowers in mortgage arrears or in pre-arrears.

Change Management

The Board is collectively responsible for the governance of the Bank and approves the Bank's Strategy and the associated financial plans, of which the Three Year Strategic Change Roadmap and In Year Investment Plan are key components.

Enterprise Change provide Board with monthly reporting on the performance of the In Year Change Portfolio, highlighting Portfolio performance (for schedule and cost) and individual project exception reports aligned to overall Change risk.

To support the above, PTSB has in place a Group Expenditure Committee, Prioritisation and Intervention Forum, Management Design Authority, and a Business and IT readiness Forum made up of key stakeholders from Business Units across the Bank. These Committees and Forums meet at regular intervals and are in place to provide oversight of the Bank's Change Management activity.

E1-MDR3-A Actions and resources in relation to Regulatory Compliance Risk, Credit Risk, CR&E Risk and Change Management

Regulatory Compliance Risk

To ensure the effective implementation of the Regulatory Compliance Framework, the Bank continues to engage with external information sharing forums, including the Banking and Payments Federation of Ireland, through which it shares and receives information related to Regulatory Compliance Risk trends and threats and evolving industry best practice.

Credit Risk

The Bank's Credit Risk management approach is focused on detailed credit assessment at initial underwriting stage together with early borrower engagement where there are signs of pre-arrears or delinquency with a view to taking remedial action to prevent the loan defaulting. Where a borrower is in pre-arrears, arrears or default the Group will consider offering treatments/options which apply to the borrower's circumstance cognisant of affordability and sustainability.

The Bank's Credit Risk management actions include our Credit Policies lending authorization, Credit Risk mitigation, Credit Risk monitoring, arrears management and forbearance and Credit Risk measurement. They cover a wide range of activities across the entire lending process. These actions primarily affect PTSB customers alongside colleagues who are responsible for lending or Credit Risk management. These measures will be continuously reviewed and updated to ensure their ongoing effectiveness in mitigating risks and adapting to evolving market conditions.

CR&E Risk

The Bank has outlined its actions in relation to the identification, measurement and management of CR&E risk in E1-1.

Change Management

Over the last of year, the Bank has proactively reviewed of our enterprise change maturity and has continued to make progress:

- Enhancing our Stage Gate process, whereby we continued to drive organisational adoption through the delivery portfolios;
- Leveraging the refreshed Corporate Strategy to drive a three year strategic change planning horizon;
- Extending planning horizon and ambition in alignment with that of the Corporate Strategy;
- Furthering our strategic planning, utilising an enhanced Strategic Planning Process (SPP) to create an interlock between change, workforce shape, technology, data and the associated capabilities, investment cost and benefits;
- Evolving our agile-based Digital Change Model, an area of significant priority, combined with the more traditional waterfall oriented Change Model;
- Implementing a Project Portfolio Management (PPM) tool;
- Continuing to review the Operating Model investments across the Bank, in recognition of the capacity and competency required to ensure excellence in the leadership and execution of change delivery, advocacy and benefits realisation; and,
- Improving Change and Risk culture and underlying practices, by ensuring focused enhancement around Lessons Learned practices, increased 2LOD project level engagement, risk awareness and assurance.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of this Regulatory Risk, Credit Risk, CR&E Risk and Change Management activity.
PTSB has not disclosed these figures publicly.

E1-MDR3-M Metrics in relation to Regulatory Compliance Risk, Credit Risk, CR&E Risk and Change Management

The following metrics are utilised to evaluate the performance and effectiveness of the Bank's actions towards managing the Regulatory Compliance Risk:

- Regulatory Compliance Risk may arise from our ability to adapt or comply with climate-related regulations. PTSB has no appetite for not implementing regulatory changes in full and on time. In addition, the Bank has a medium appetite for CR&E risk.
- Progress against these metrics is reported upward to GRC/ExCo/Board on a monthly basis via the CRO Report.

The following metrics are utilised to evaluate the performance and effectiveness of the Bank's actions towards managing Credit Risk:

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

PTSB has not disclosed these metrics publicly.

The following metrics are utilised to evaluate the performance and effectiveness of the Bank's actions towards managing CR&E Risk:

- Please refer to E1.

The following metrics are utilised to evaluate the performance and effectiveness of the Bank's actions towards Change Management:

- Key Performance Indicators based on level of Projects with a status of At Risk and Off Track from a Strategic Change Portfolio and Regulatory specific perspective;
- Cost and forecast spend for the period versus available investment funding set out for the period; and,
- Forecast Compliance Status of all material Change projects versus regulatory deadline commitments.

PTSB has not disclosed these metrics publicly.

E1-MDR3-T Tracking effectiveness of policies and actions through targets

Regulatory Compliance Risk - PTSB has no appetite for regulatory non-compliance and is committed to ensuring strict adherence to laws, standards, and ethical practices.

PTSB has not disclosed these targets publicly.

E1-MDR4- Product Financing

The IROs reflected in E1-MDR4 are outlined below.

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
I-1	Impact	The impact on the environment by considering climate change and energy use when financing projects.	The influence of the Bank on environmental impacts extends through the financing and investment decisions it makes. Based on PTSB's material Mortgage Portfolio (93% as of 31 December 2024), it was determined that its actual or potential impact on the environment from its financing activities was primarily on climate change and energy use through the associated emissions and energy consumption of the collaterals on the Retail Mortgage Portfolio. Through the Double Materiality Assessment, impacts specifically related to water consumption, (pollution) and biodiversity were deemed not material at this time although these factors can be influenced through a broader focus on climate change and energy usage.	Both	Both
O-1	Opportunity	Providing sustainable products, propositions and funding activities which integrate environmental considerations can provide PTSB with a competitive advantage, meet customer demand and reduce PTSB's impact on the environment.	Banks have a unique opportunity to finance sustainable products and integrate environmental considerations into their offerings. These opportunities not only align with global sustainability goals but also create new business opportunities, enhancing the bank's long-term profitability and reputation. The Bank considered a number of opportunities from new and enhanced green products and propositions including green bonds, loans, mortgages and asset finance, retrofitting loans, renewable energy investments, and strategic partnerships for climate adaptation and sustainability projects. Collectively, sustainable products provide the Bank with an opportunity to address growing customer and investor demand.	n/a	n/a

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
R-2	Risk	Climate-related and Environmental Risk (CR&E): The risk of financial loss or an adverse outcome arising from the consequences, likelihoods and a lack of or inadequate response to the impacts of climate change.	CR&E risk has been mapped to the climate change mitigation subtopic. CR&E risk for the Bank is categorised into Physical and Transition risk. The Bank identified a number of elements pertaining to CR&E risk, including adverse weather conditions and long term climate shifts causing a reduction in operational capacity; strategy amendments, including climate change mitigation ambitions, governmental initiatives, credit risk and exposures to issues with business and retail borrower repayment ability; current and emerging CR&E regulatory requirements and compliance costs; IT risk management; CR&E model risk; market risk and public and investor opinion of ESG; and changes to collateral impacting liquidity and funding.	n/a	n/a
R-9	Risk	Regulatory Compliance Risk: The risk of material financial loss or liability, legal or regulatory sanctions, or brand damage arising from the failure to comply with or adequately plan for change to, official sector policy, laws, regulations, major industry standards, compliance policies and procedures or the expectations or customers and stakeholders.	Elements of this risk have been mapped to the climate change mitigation subtopic. CR&E. risk continues to increase in prominence globally resulting in additional supervisory and regulatory requirements for the Bank. The Bank considers these sustainability regulations as adding to its regulatory compliance risk.	n/a	n/a
R-10	Risk	Reputational and Conduct Risk: The risk of material financial loss or liability, legal or regulatory sanctions, or brand damage arising from the failure to comply with or adequately plan for change to, official sector policy, laws, regulations, major industry standards, compliance policies and procedures or the expectations or customers and stakeholders.	E1: Climate Change Mitigation Elements of this risk have been mapped to the climate change mitigation subtopic. In relation to reputational risk these pertain to growing demand to make progress in integrating ESG factors; expectations to align with government initiatives and comply with regulations where failure to make progress can lead to negative public opinion. Conduct risk emerges for the Bank in relation to its practices; and meeting its ethical business requirements and customer expectations.	n/a	n/a

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
R-12	Risk	Business Risk: The risk that volumes may decline, margins may shrink, or management costs may increase, arising from an underperforming Business model and/or failure in the Bank's strategic ambitions.	Elements of this risk have been mapped to the climate change mitigation subtopic. Regarding physical risk, the Bank considers these associated risks to include customers concentrated in high Physical Risk areas. Regarding transition risks, these include planning, cost and resources related to emerging and future regulation, impacts on customer finances and changes in consumer preferences.	n/a	n/a

E1-MDR4-P Policies adopted to manage Product Financing

The Bank has in place policies to manage and mitigate its climate-related product financing and associated IROs as follows:

- Collateral Valuations Policy
- Consumer Non-Mortgage Lending
- Enterprise Risk Management Framework
- Green Bond Framework
- Green Product and Proposition Design Principles
- Group Credit Policy
- Residential Mortgage Lending Policy

For more information on policy contents, objectives, the most senior level in the undertaking's organisation that is accountable for the implementation of the policy and policy availability please refer to ESRS 2-MDR-P.

These Frameworks and Policies cover PTSB's enterprise operations and apply to the organisational functions and risk management practices of the Bank's Three Lines of Defence, as defined in PTSB's ERMF.

The following Stakeholders are affected:

- Members of the Board and its Committees, Management Committees and Risk Committees;
- All employees, as defined in ESRS S1 Own Workforce;
- Shareholders and Investor;
- Business Banking Customers;
- Retail Customers;
- Third Party suppliers;
- External stakeholders, including Regulators and Supervisors who require an overview of the climate-related and environmental regulatory compliance management principles, process, and governance arrangements; and
- Owners of interlinked Frameworks and Policies who are responsible for aligning their Frameworks, Policies, and Procedures.

These Frameworks and Policies detail relevant requirements and exclusions such as the exclusion of environmentally harmful activities from loan eligibility, the requirement for Business Banking lending of sufficient scale to complete a Business Bank ESG Due Diligence Questionnaire (ESGQ), and the requirement for the Bank's Mortgage customers to demonstrate insurance cover for Physical Risk impacts (for example, flooding).

The Board has overall responsibility for the establishment and oversight of the Bank's ERMF and Credit Risk Management Framework.

The ALCo is a sub-committee of the ExCo and is responsible for overseeing pricing decisions. As such, the Bank's Green Mortgage was brought through the Committee for approval prior to implementation.

Customer Committee (CustCo) is a sub-committee of the ExCo and is chaired by the Chief Retail Banking Officer. The Committee approves new, and changes to current, products and services that are aligned to the Bank's Sustainability Strategy which includes consideration for climate-related sustainable finance products and propositions.

Framework and Policy Owners are accountable for the implementation of their respective Frameworks and Policies.

Please refer to E1-MDR1-P for the third party standards or initiatives that the Bank is committed to.

The Bank's customers are a central focus when considering the IROs associated with its Green Products and Propositions. In addition, the Bank's investors, regulators and other shareholders (Government) are key stakeholders when considering the IROs associated with the Bank's funding activities.

E1-MDR4-A Actions and resources in relation to Product Financing

PTSB has made the following progress in relation to the integration of CR&E risk across the Bank:

- Investing in resources to deliver on our Sustainability Programme objectives, including the appointment of a Chief Sustainability and Corporate Affairs Officer, a Head of Sustainability and supporting team;
- Partnering with a professional services firm to provide strategic guidance and advisory support;
- Closing the Bank's 2023 CR&E Implementation Plan and supporting ongoing integration of CR&E risk into the Bank's wider Sustainability Programme through an ESG Risk Management Workstream and corresponding ESG Risk Management Strategy;
- Completing a quantitative Materiality Assessment to provide the first quantitative analysis of material CR&E risk transmission channels;
- Updating the Risk Appetite Statement (RAS) with relevant metrics for CR&E risk (including Physical Risk) and developing strategic Key Performance Indicators (KPIs). Risk metrics are included within the standard governance reporting procedures with corresponding escalation processes.
  - The relevant metric related to exposure to chronic Physical Risk measures coastal erosion risk through coastal flood scores. This is supported through geo-location data collected through the loan origination process.
  - The relevant metrics related to the impact of financing upon the environment and climate relates to collecting energy efficiency (BER) information of the Mortgage Portfolio. This is supported by ongoing data remediation and is a requirement as part of loan origination;
- Implementing mitigation and control processes to manage CR&E risk with a 'Three Lines of Defence' Model adopted across the Bank to ensure robust and fit for purpose CR&E risk oversight and management;
- Issuing its inaugural €500m Green Bond to fund green assets;
- Continuing to integrate CR&E risk into the Bank's ICAAP and ILAAP processes in line with supervisory expectation;
- Continuing to evolve CR&E data requirements and improve the data availability and quality for use in scenario analysis, stress testing, strategy and reporting;
- Taking steps to understand, manage and mitigate Physical CR&E risk, including exposure to chronic risk. Within the Retail Mortgage Portfolio, for new Mortgage applications the BER and Eircode are being captured, where available. This has allowed the development of metrics to monitor the exposure to coastal erosion (chronic Physical Risk), and the energy efficiency of the Bank's Mortgage Portfolio;
- Continuing to advance green product and proposition development and the provision of support for customers on their sustainability journey through our Green Mortgage Product and participation in the SBCI's Home Energy Upgrade Loan Scheme;
- Developing and introducing an enhanced ESG Due Diligence Questionnaire (ESGQ) for our Business Banking Customers. The ESGQ forms part of the loan origination procedure for SME lending for applications of €250,000 and above. It aims to support us in gathering data and information on potential sustainability-related risks and opportunities across the value chain, while also ensuring that they adhere to national and European sustainability-related regulatory requirements. The information captured as part of this ESGQ provides insight into exposure to chronic Physical Risk (coastal erosion) and impact upon the environment through emissions information;
- Ensuring lending officers consider CR&E risk for each Business Banking Lending application, and assessment criteria for new Retail Property Lending and incorporate an evaluation of potential Physical Risk, including flood, subsidence, coastal and environmental risks as part of the valuation process. Lending should not proceed where the valuer identifies risks at individual property level which might potentially restrict the customer's ability to obtain home insurance; and,
- Providing CR&E risk training to relevant colleagues, including the Board and Senior Management.

Moving forward, the Bank is focused on continuing to mature its approach to sustainability-related risk management, green product and proposition development and disclosures. In addition, we will continue to monitor and develop the relevant CR&E risk indicators with a view to assessing their potential impact on the Bank's Market Risk Profile over time.

PTSB has in place an overarching three-year strategic and financial plan for the Bank - The Integrated Strategic Plan. Sustainability is at the heart of the Plan enabling us to put it at the centre of how we run and grow our business.

In addition to the investment into resources, as part of PTSB's annual strategic and financial planning cycle, a budget is allocated to the Sustainability Function to deliver on the commitments and actions that are outlined within the Bank's Sustainability Strategy, including the provision for third party advisory and support.

During Q2 2024, PTSB issued €500m Green Senior HoldCo notes at a coupon of 4.25%. The issuance had a final order book of €2.2bn, comprising of 120 investors. The Green Bond was issued under the Bank's Green Bond Framework and demonstrates our intent to embed Sustainability into our funding strategy. A key component of the Bank's Sustainability Strategy, the Green Bond Framework has been established to help mitigate climate change through reduced carbon emissions and energy demand, protect vulnerable ecosystems, and support the strategic outcomes of Project Ireland 2040, the United Nation's Sustainable Development Goals and Ireland's Climate Action Plan.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of these activities. PTSB has not disclosed these figures publicly.

For more information the Banks' action related to Green Products and Propositions please refer to E1-MDR1-A.

E1-MDR4-M Metrics in relation to Product Financing

The following metrics are utilised to evaluate the performance and effectiveness of the Bank's actions: There is a CR&E Risk metric in place that is monitored following standard reporting procedures to relevant governance committees. This metric captures the energy efficiency of the Mortgage Portfolio through Building Energy Ratings (BER). This metric is used to understand exposure to Transition Risk and the impact of financed emissions. The BER metric uses a proxy score for those properties where a validated BER is not available based on property characteristics outlined by the Sustainable Energy Authority of Ireland. PTSB has not disclosed this metric publicly.

- During 2024, c.€875m in green lending was drawn down, accounting for 43% of New Mortgage lending, +28% YoY; and,
- During 2024 €100m in funding was made available to drawdown through the SBCI's Home Energy Upgrade Loan Scheme
- Lending is measured annually.

E1-MDR4-T Tracking effectiveness of policies and actions through targets

As outlined in E1-1, during 2024 the Bank worked to develop our SBTs which will be submitted to the SBTi during Q1 2025 for validation. We will communicate our Targets once the validation process reaches completion.

Targets relating to lending activity include:

- The Bank has a lending target in place associated with its Green Mortgage Product; and,
- The Bank has a target in relation to drawdowns associated with the SBCI's Home Energy Upgrade Loan Scheme.

PTSB has not disclosed these targets publicly.

For the purposes of this disclosure:

- **Employees:** Employees are defined as individuals under a direct contract of employment in the Bank (permanent and fixed-term contract employees).
- **Non-Employees:** PTSB considers non-employees to be those that do not have a direct contract of employment with the Bank. This includes third party advisory services, contractors, agency partners and self-employed individuals.

The Bank's colleagues which may be subject to the impact caused by adequate working conditions, equal opportunities for all and protection of worker's rights include:

- Permanent colleagues – Customer Facing
- Permanent colleagues – Non-Customer Facing
- Fixed-term contract colleagues – Customer Facing
- Fixed-term contract colleagues – Non-Customer Facing
- Part-time – Customer Facing
- Part-time – Non-Customer Facing

As part of the Bank's DMA, we identified the material impacts, risks and opportunities in relation to Own Workforce which have been outlined in ESRS 2 SBM-3. Further detail is provided in S1-MDR1 below.

PTSB delivers a full-service banking experience to all customers, framed within the boundaries of a Low Risk Appetite. Our Business Model is a full-service Retail and Business Bank. As PTSB exclusively provides financial services to customers in a regulated environment and operates in the Republic of Ireland, which is not considered to be an 'at risk' geographic area that is prone to incidents labour breaches, there is no significant risk of child labour, forced labour or compulsory labour.

People with particular characteristics, those working in particular contexts, or those undertaking particular activities may be at greater risk of harm were not specifically identified as part of the DMA but were considered as part of the Bank's colleague cohort as a whole.

Following our assessment of material risks and opportunities related to impacts and dependencies on our workforce, no specific cohort was identified as being uniquely affected.

Impacts, risks and opportunities management

S1-1 Policies related to own workforce

The Bank has policies, procedures and codes in place to manage the material IROs related to Own Workforce as outlined in ESRS 2-MDR-P. Further detail is provided in S1-MDR1.

We recognise our responsibility to respect the human rights of every individual. PTSB has procedures in place to support the Bank in meeting all relevant human rights legislation in the Republic of Ireland in respect to Own Workforce. Additional policies utilised to prevent or mitigate against the risk and negative impact on human rights are included in G1-Business Conduct and S1-MDR1. We keep our policies under review and update them as required as part of our policy review cycle.

The Bank has in place a Dignity and Respect Code and Equality through Diversity and Inclusion Charter. The Code and the Charter focus on the prevention of discrimination, the provision of equal opportunities and states that employees should be treated with dignity and respect in the workplace.

In order to mitigate against human rights risk, or violations that may occur, the Bank has due diligence procedures in place This includes the implementation of a Colleague Conduct Policy that establishes the requirements for the effective management of appropriate behaviours within the Bank, procedures to support the Bank in meeting all relevant human rights legislation in the Republic of Ireland and a suite of reporting mechanisms through our Speak Freely channels. Procedures are in place for dealing with reported human rights allegations and instances to ensure they are addressed on a timely basis.

In addition, the Bank has in place additional requirements set out in other policy documents that help to encourage the right behaviour, including a Conflict of Interest Policy, Anti-Money Laundering/Terrorist Financing, Sanctions, and Anti-Bribery and Corruption policies and procedures.

The Bank uses the following engagement channels with its employees:

- Trade Unions/Employee Representative Bodies (ERBs), including Unite, Mandate and FSU;
- Employee surveys;
- Team meetings;
- Virtual and in-person networking forums;
- Internal Intranet platform;
- A bank-wide communications platform and app;
- In-house digital screens,
- People Experience Council (PEC);
- Employee Resource Groups (ERGs); and,
- Other channels as appropriate.

For more information on how the Bank listens to employees and acts on feedback, as well as the detail relating to PTSB's Speak Freely procedure, please refer to S1-MDR1.

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

As PTSB exclusively provides financial services to customers in a regulated environment and operates in the Republic of Ireland, which is not considered to be an 'at risk' geographic area that is prone to incidents labour breaches, there is no significant risk of child labour, forced labour or compulsory labour. As such, PTSB does not have policies which explicitly address human trafficking, forced labour or compulsory labour and child labour. We keep our policies under review and update them as required as part of our policy review cycle. We will continue to monitor the human rights environment to ensure it does not become a material risk for the Bank.

PTSB has a Group Safety Statement in place which documents how the highest standards of Health and Safety Management are maintained across the organisation.

The Safety Statement, and associated policies and processes, have been prepared in accordance with Section 20 of the Safety, Health and Welfare at Work Act, 2005. The Safety Statement is reviewed on a regular basis and is revised as necessary. For more on the Group Safety Statement, please refer to S1-MDR1.

The Bank is committed to fostering a workplace that is free from discrimination, harassment, and bias, ensuring that all employees have the opportunity to thrive in an inclusive environment.

Through the implementation of our Dignity and Respect Code and Equality through Diversity and Inclusion Charter, alongside our Colleague Conduct Policy we aim to eliminate discrimination, promote equal opportunities, and ensure a diverse and inclusive workforce. PTSB's Equality through Diversity and Inclusion Charter celebrates and values the diversity of its workforce and is committed to a fair and inclusive culture. It provides an overview of how we treat all colleagues with dignity and respect and seek to provide a positive working environment that is free from discrimination, harassment, or victimisation.

1. We have developed the 'Our Culture Charter' as our guiding compass, which brings together the core elements which make up our culture, what we want our culture to be, as well as the 12 culture enablers that support our journey. The Bank's culture ambition is to have a customer-centric, open, inclusive, risk integrated, growth culture, characterised by integrity, innovation, and accountability.

2. PTSB is committed to equality through diversity, equity and inclusion and is focussed on ensuring that all colleagues are treated in a respectful manner. Through our Speak Freely Procedure, we seek to ensure that inappropriate behaviour is challenged and addressed. We recognise that a modern workforce is made up of people with different characteristics, backgrounds and experiences, all of which are dimensions of diversity that we recognise and value.

As a Bank, we believe that by valuing and promoting diversity, equity, and inclusion, we are providing a workplace where colleagues are comfortable to be themselves and will grow as individuals within our environment. The Colleague Conduct Policy outlines the 9 Grounds of Discrimination considered by PTSB, including gender, marital status, family status, sexual orientation, religion, age, disability, race, or membership of the traveller community.

Please refer to ESRS 2 SBM-3 and S1-MDR1 for more information on the Bank's Dignity and Respect Code, Equality through Diversity and Inclusion Charter and Colleague Conduct Policy.

The Bank takes deliberate steps to ensure that policies are in place to advance Diversity, Equity, and Inclusion (DEI) and prevent discrimination and that these policies are not just statements of intent, but are actively implemented through clear, enforceable procedures. This includes:

- Mandatory Training Programmes: in which all employees, including leadership, are required to undergo annual training on discrimination, harassment, unconscious bias, and inclusive behaviours. This includes a requirement for all colleagues to be familiar with and enact our Dignity and Respect Code, Equality through Diversity and Inclusion Charter and Colleague Conduct Policy.
- Regular Employee Engagement: We enable our colleagues to provide feedback on matters relating to discrimination through regular surveys and our Speak Freely Procedure where staff can voice concerns, share ideas, and suggest improvements. This ongoing dialogue helps us to proactively identify and address potential issues before they escalate.
- Employee Resource Groups (ERGs): To support the delivery of our DEI Strategy, the Bank has in place a number of ERGs, whose aim is to enable employees to join together based on shared characteristics or life experiences. Where issues are raised through the ERGs, these are reviewed and actioned on as required.

The ERGs include:

- PRISM - Our LGBTQ+ Network for colleagues and allies. The Network promotes and values individual differences no matter how our people identify;
- Better Balance - The Network aims to be the catalyst for change in achieving Gender Balance in PTSB;
- DiCE - The Network promotes and celebrates people of all races, ethnicities, nationalities, and cultural heritage;
- LiveWell – The Network provides space, connection, and support for colleagues to engage in areas of wellbeing important to them regardless of location; and,
- Adapt - The Network's Vision is to empower, educate, elevate, equip, and empathise by creating an inclusive and equitable place to work for abled and disabled colleagues.

The ERGs help diverse groups obtain a collective voice within the organisation and serve as an organised and established platform that our people can utilise to promote change. They include representation from all areas of the Bank, meet regularly and report into members of the Bank's People Experience Team.

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

The Bank actively engages employees across all levels, fostering a culture of open communication, feedback, and collaboration. This inclusive approach allows us to gain diverse insights, manage the actual and potential impacts of our operations and identify potential risks early, ensuring that our strategies are both informed and responsive. For more detail, please refer to S1-4 and S1-MDR1-A.

For detail relating to the Bank's DMA and wider stakeholder engagement with the Bank's Own Workforce, please refer to ESRS 2 SBM-3 and S1-MDR1.

As a requirement of the UK Corporate Governance Code,[5] the Board is required to review workforce engagement mechanisms, to ensure they remain effective.

5. The Company's shares are admitted to trading on the Main Securities Market of Euronext Dublin and the London Stock Exchange and the Company must comply or explain against the provisions of the 2018 UK Corporate Governance Code (the "UK Code") and the Irish Corporate Governance Annex (the "Irish Annex").

Key examples of this include the establishment of a NomCo with accountability for culture, behaviour, ethics and reputation management oversight in the Bank, Senior Management and ExCo attendance at employee events, regular engagement with Employee Representative Bodies (ERBs) and review of employee engagement surveys.

The Bank gains insight into perspectives of colleagues who may be particularly vulnerable through a number of channels including, our Every Voice Counts Survey, Micro-pulse Surveys and through our Speak Freely Procedure. For more information on employee wellbeing programmes to support colleagues, please refer to S1-MDR1-A.

S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

The Bank has in place a Grievance Procedure, Speak Freely Procedures and a Dignity and Respect Code.

For further details on the specific channels the Bank has in place for the purpose of gathering employee feedback and for our colleagues to raise concerns or voice needs, please refer to S1-1. For further details on the Bank's Dignity and Respect code, please refer to S1-1.

Speak Freely/Protected Disclosures

- We monitor the usage of the Bank's Speak Freely Procedure and include this in our Key Risk Indicator (KRI) reporting, which particularly focuses on a KRI of trust – that colleagues feel confident to raise concerns in a confidential manner.
- The implementation of the Bank's Speak Freely Procedure ensures colleagues have trusted channels to raise concerns, designed to ensure fairness, transparency, and accessibility. This channel is well known and easy to access, with clear procedures and timeframes communicated to all employees. We prioritise accountability through impartial oversight, ensuring legitimacy and trust.

Grievance/Investigation/ Disciplinary Procedures

- PTSB has a Grievance Procedure in place which sets out the procedures a staff member can take in terms of the staff member's right to seek to address grievances relating to their employment.
- In line with these procedures, colleagues may raise complaints in the workplace respective to themselves and which may apply to other cohort of colleagues. The Bank has formal investigation and disciplinary procedures in place to investigate instances of misconduct in the workplace.
- Conduct-related matters are reported to the Bank's Colleague Conduct Committee on a quarterly basis and to the NomCo on an annual basis, with reporting outlining high-level themes and actions to address common/ reoccurring issues. Where there are common or reoccurring issues, these are dealt with through policy updates and HR People Management training.
- We maintain transparency by keeping complainants informed throughout the process and, where relevant, sharing information with the public to meet broader interests. Our focus is on dialogue, working collaboratively with employees to reach mutually agreed solutions. Insights from complaints guide and inform the development of programming to improve our processes and prevent future impacts, driving continuous learning and improvement across the organisation.

Workplace Relations Commission / Labour Court

- The Bank manages complaints that are raised with the Workplace Relations Commissions and Labour Court through mediation and adjudication. Where a complaint is upheld action is taken to address the outcome and determine if there are further impacts to other colleagues. Where appropriate, remedial action is taken.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The Bank has outlined the description of its action plans and resources to manage its material IROs related to its Own Workforce in S1-MDR1-A.

For more information on how the Bank tracks and assesses the effectiveness of its actions and initiatives in delivering outcomes for its Own Workforce, please refer to S1-MDR1-M.

Process for Identifying Appropriate Action in Response to Negative Workforce Impacts

The Bank has established a structured process for identifying when and what actions are necessary in response to actual or potential negative impacts on our workforce. This process enables us to promptly address issues that arise, whether they are caused by our direct operations, contributed to through our activities, or linked to our business relationships.

The workforce environment is continuously monitored and assessed to identify any actual or potential negative impacts. This includes:

Internal Reporting Systems: We have implemented robust reporting mechanisms such as Speak Freely, that allow colleagues to raise concerns or report incidents confidentially.

Risk Assessments: Regular risk assessments are conducted by the relevant teams to proactively identify vulnerabilities in areas such as workplace safety, employee wellbeing, discrimination, and labour rights. These assessments help us to identify potential impacts before they materialise.

Stakeholder Engagement: We actively engage with our workforce through surveys, interviews, and open forums to gather direct feedback on workplace conditions. External stakeholders, such as labour unions and advocacy groups, are also consulted when needed to gain a broader perspective on workforce-related risks.

To ensure that the Bank's practices do not cause or contribute to material negative impacts on our workforce, we have implemented comprehensive frameworks, policies and procedures that extend across our operational functions. This approach is designed to prevent harm, promote ethical practices, and balance business performance with our responsibility to safeguard the wellbeing of our employees.

Employee Engagement and Feedback Mechanisms
To effectively safeguard the wellbeing of our workforce, we engage in regular dialogue with our employees to gather feedback and assess workplace conditions. Key channels include our Every Voice Counts Employee Engagement Survey, regular Micro-pulse Surveys, team meetings, virtual and in-person networking forums, internal intranet platform, a bank-wide communications platform and app, in-house digital screens, Employee Resource Group and People Experience Council engagement, and other channels as appropriate.

Risk Management and Controls
The Bank has a comprehensive Risk Management Framework that identifies, assesses, and mitigates risks related to workforce impacts.

Internal Policies and Controls: Ethics and Employee Conduct
To reinforce ethical behaviour and protect our workforce, we have implemented robust internal policies and controls related to ethics and employee conduct. These policies ensure that all aspects of our business operations, whether procurement, sales, or data use, adhere to high ethical standards and do not harm employees.

Please refer to S1-MDR1 for further information on the Banks material IROs in relation to its Policies, Actions, Metrics and Targets related to Own Workforce.

Metrics and targets

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Please refer to S1-MDR1-M and S1-MDR1-T for an overview of the metrics and targets that the Bank has set to manage material IROs including its Gender Pay Gap, its Culture Index Score and Board Diversity.

Our approach to setting targets for improving working conditions is dynamic, allowing us to adapt and respond to new challenges and employee feedback as it arises. We regularly review progress toward our goals in collaboration with internal workforce representatives and adjust our strategies as necessary to ensure that we continue to make meaningful progress in creating a safer, healthier, and more supportive work environment. We track and monitor progress through a Diversity, Equity and Inclusion Dashboard and updates are brought to ExCo and Board through the quarterly Culture Paper.

S1-6 Characteristics of the undertaking's employees

The Bank has outlined the breakdown of employees (as defined in S1-1) for 2024 below:

- Number of employees (Headcount): 3,457
- Average number of employees (Headcount): 3,442
- Full Time Equivalent (FTE): 3,359

Information in relation to characteristics of the Bank's employees has been compiled on a headcount basis.

Gender	Number of employees (Headcount) at of 31st December 2024	Average number of employees (Headcount) for 2024
Male	1,601	1,619
Female	1,856	1,823
Other*	-	-
Total employees**	3,457	3,442

* PTSB currently does not have complete data to report this figure at present. However, we actively encourage employees to provide a range of DEI metrics on a voluntary basis to support transparency and progress.
** Total employees are based on Headcount figures for the purposes of this Sustainability Statement. The Bank also reports a Full Time Equivalent (FTE) figure of 3,359.

PTSB currently operates exclusively in Ireland and therefore does not have employees in operations outside of this region.

Category	Female	Male	Other*	Total
Number of employees (Headcount)	1,856	1,601	-	3,457
Number of permanent employees (Headcount)	1,726	1,512	-	3,238
Number of temporary employees (Headcount)	130	89	-	219
Number of full-time employees (Headcount)	1,598	1,582	-	3,180
Number of part-time employees (Headcount)	258	19	-	277
Number of non-guaranteed hours employees (Headcount)	-	-	-	0

* PTSB currently does not have complete data to report this figure at present. However, we actively encourage employees to provide a range of DEI metrics on a voluntary basis to support transparency and progress.

The total number of employees who have left the Bank since the beginning of 2024 is 424. The percentage of employee turnover in 2024 was 12.3%. The data for employee figures is generated from the PTSB HR platform Tableau. This platform allows the Bank to record and monitor in real time the total headcount, average headcount, gender, age, turnover and leavers etc.

The assumptions on the data include:

- For payroll purposes, we record only two genders on our headcount file.
- Employees counted as "Long Term Absent" are included as they may still be in receipt of payments from the Bank.
- Employees on Career Break or Carers Leave are not included as they are not in receipt of any direct payment from the Bank.

S1-8 Collective bargaining coverage and social dialogue

The total percentage of employees covered by collective bargaining agreements is 92%

PTSB currently operates exclusively in Ireland and therefore does not have employees in operations outside of this region.

Employees that are not covered by collective bargaining agreements are treated as per their individual contracts. Additionally, these conditions are aligned with the standards established by the bank for all employees, ensuring consistency and fairness across the organisation.

The existence of an agreement with employees for representation by a European Works Council (EWC) is not applicable, as the Bank does not operate in multiple jurisdictions which is a requirement for EWCs. However, the Bank engages with the formally recognised Trade Unions as outlined in S1-1.

S1-9 Diversity metrics

The Board and ExCo have been considered as top management for the purposes of this disclosure.

The gender distribution in number of employees (Headcount) at top management level is as follows:

Gender	Number of Employees at top management level
Male	12
Female	8
Other	0
Not Reported	0
Total Employees (Headcount)	20

The distribution of employees by age is as follows:

Age Group	Headcount	%
18-30	772	22%
30-50	1975	57%
50+	710	21%
Total	3,457	100%

S1-10 – Adequate wages

All employees in PTSB are employed subject to Republic of Ireland employment contracts and legislation, and as such we have no employees paid below Ireland's national minimum wage of €23,940pa. The minimum under the PTSB Remuneration Policy is €27,500. Please refer to S1-MDR1-P for more information on the Bank's Remuneration Policy.

S1-14 – Health and safety metrics

The percentage of people within PTSB who are covered by the internal health and safety statement is 100%. There were no fatalities amongst the Bank's workforce as a result of work-related injuries or ill health which has occurred on sites in 2024.

The total number of work-related accidents for PTSB's Own Workforce was 16.

S1-16 K– Remuneration metrics (pay gap and total remuneration)

The Mean Gender Pay Gap for the Bank is 16.9%.

Formula:

$$\frac{\textit{(Average gross hourly pay level of male employees - average gross hourly pay level of female employees)}}{\textit{Average gross hourly pay of male employees}} \times 100$$

The Median Gender Pay Gap is 11.6%

Formula:*

$$\frac{\textit{(Median gross hourly pay level of male employees – median gross hourly pay level of female employees)}}{\textit{Median gross hourly pay of male employees}} \times 100$$

*Median is calculated as the median of the mean gross hourly rate per employee

The annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees for the Bank is currently 12:4.

Formula:

$$\frac{\textit{(Annual total remuneration for the undertaking' s highest paid individual)}}{\textit{Median employee annual total remuneration (excluding the highest-paid individual)}}$$

The Bank's Gender Pay Gap has been reviewed by the Bank's Internal Audit Team and has also received limited assurance from our assurance provider.

S1-17 Incidents, complaints and severe human rights impacts

The total number of incidents of discrimination for 2024 was 2. The total number of complaints filed through channels designed for PTSB employees to raise concerns in 2024 was 4. The total number of complaints filed externally to National Contact Points such as the Workplace Relations Commission and Labour Court for OECD Multinational Enterprises in 2024 was 4 (this is not inclusive of the 2 recorded incidents noted above).

There were no severe human rights incidents connected to PTSB's workforce in 2024. There were no severe human rights incidents connected to PTSB's workforce that do not respect the UN Guiding Principles and Organisation for Economic Cooperations and Development (OECD) Guidelines for Multinational Enterprises in 2024. There were no fines, penalties, and compensation incidents relating to human rights issues in 2024.

S1 Minimum Disclosure Requirements

As part of the development of the Bank's IROs, we identified similar themes emerging, so the MDRs have been consolidated under thematic headings. For S1 Own Workforce, we have consolidated all material IROs under the theme S1-MDR1-Working Conditions.

S1-MDR1 - Working Conditions

The IROs reflected in S1-MDR1 are outlined below:

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
I-3	Impact	The impact PTSB has on its employees by ensuring adequate working conditions, equal opportunities for all, and protection of worker's rights.	PTSB understands that the impact it has on its employees is far reaching and that it not only impacts the employees themselves but the Bank's long-term success. As part of its analysis, the Bank considered a wide range of actual and potential, positive and negative, impacts on its own workforce. The impacts focused on corporate culture, workplace dynamics, employee wellbeing, mental health, job satisfaction, quality of life, burnout, conflict, employee experience, morale, productivity and gender balance. The overall impact of ensuring adequate working conditions, equal opportunities and protection of worker's rights is a well-supported workforce leading to increased engagement, improved performance, and a more resilient organisation.	Both	Both

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
O-3	Opportunity	A working environment that has appropriate working conditions, protects worker's rights, promotes inclusion and offers adequate training and innovation opportunities may lead to increased productivity, reduce costs and enhanced brand and reputation.	PTSB understands it can unlock significant opportunities by fostering a working environment with appropriate working conditions. As part of its analysis, the Bank considered a number of different opportunities which centred on the themes of appropriate working conditions, protection of worker's rights and inclusion of all in the workplace. When employees feel respected, valued and supported they will be motivated to perform well and contribute to the business objectives. Opportunities considered included fostering an attractive corporate culture with stable working conditions, where diversity in the workforce is promoted, health and safety risks are effectively managed, and employees feel comfortable to raise concerns (including whistleblowing) and are supported to innovate. PTSB views these opportunities as collectively investing in the wellbeing of its employees leading to increased productivity, reduced operational costs, enhanced reputation, better talent retention and the overall strengthening its position in the marketplace.	n/a	n/a
R-7	Risk	People Risk: The risk of financial, operational or reputational damage to the Bank arising from failure of the Bank to meet its employment obligations and duty of care to staff or the failure to ensure adequate resources and or skills are in place, that succession planning is not effective or that the operation of the Bank may be impacted by labour disputes.	People Risk is associated with the behaviours and actions of the Bank's workforce and has been identified as a key risk by PTSB. Elements of this risk have been mapped to the Own Workforce topic. These relate to employee wellbeing and mental health, including stress and burnout; inadequate wages, remuneration and development opportunities harming workforce retention; lack of transparent work environment or equal opportunities for all, reducing trust and communication; difficulties in attracting talent; regulatory compliance including health and safety; human rights and protections against discrimination requirements; and lack of engagement with unions and lack of effective communication leading to strikes.	n/a	n/a

S1-MDR1-P Policies adopted to manage Working Conditions

PTSB has adopted and integrated several policies to mitigate against social and people risk, ensure adequate working conditions, equal opportunities and the protection of worker's rights. These include:

- Individual Accountability Framework Conduct Standards Policy
- Colleague Conduct Policy
- Code of Ethics
- Speak Freely (Whistleblowing) Procedure and Protected Disclosure Procedure;
- Dignity and Respect Code
- Equality through Diversity and Inclusion Charter
- Conflict of Interest Policy
- Fitness and Probity Policy
- Grievance Procedure
- Disciplinary Procedure
- Financial Crime Compliance Framework
- Anti-Money Laundering/Terrorist Financing
- Anti-Bribery and Corruption
- Data Protection
- Information Security Policy
- Learning and Development Policy
- Smart Working Framework
- Remuneration Policy
- Group Safety Statement
- Succession Planning Policy

Framework and Policy Implementation Monitoring Process

The application of these Frameworks and Policies is monitored by the Framework or Policy Owner. The Policies referenced above comply with best practice guidance in line with the WRC and Employment Law updates.

It is an employee's responsibility to comply with Policies made aware to them by their Line Managers. Relevant training is provided at least annually, and the Bank's Learning and Development team monitor completion.

All Frameworks and Policies that the Bank has in place to protect its workforce meet the relevant regulatory requirements, adhere to PTSB's Document Management Guidelines, and are reviewed and updated as appropriate, on an annual basis. These Frameworks and Policies apply to all of the Bank's Business Units. Accordingly, every colleague should be familiar with the policies and relevant processes, procedures, codes and guidelines in support of the protection of worker's rights.

The Board has overall governance responsibility for the operations of the Bank. While the Board retain ultimate accountability for long-term implementation of PTSB's Strategy, specific Policy Owners have been designated for various Policies.

The Bank demonstrates a strong commitment to transparency and accountability by actively respecting a range of third party standards and initiatives through its Frameworks and Policies. These include:

- In 2023, PTSB was awarded the Investors in Diversity Gold Accreditation. Supported by the Irish Business and Employers Confederation's (IBEC), the Programme recognises existing efforts, while supporting the journey of continuous improvement by providing a structured framework to transform workplace practices and culture. PTSB was the 12th company in Ireland to receive the Gold Award. This Award recognises PTSB's progress in DEI, including 60:40 gender diversity at Board;
- Setting diversity objectives, through NomCo and considering diversity benchmarking results, census data and the latest regulatory guidance published by competent authorities, The Economic and Social Research Institute (ESRI), the European Banking Authority (EBA), or other relevant international bodies or organisations;
- Continuing membership of the 30% Club, a group of c.200 Chairs and CEOs committed to better gender balance at all levels of their organisations;
- Supporting Balance for Better Business, and playing an active role in the development of the Banking and Payments Federation Ireland (BPFI's) Women in Finance Charter;
- Partnering with Business in the Community Ireland (BITCI) to track and report on DEI progress through the Elevate Pledge, which includes submitting relevant data for an annual report on diversity efforts;
- Attaining the IBEC's KeepWell Mark accreditation;
- Reporting on the Gender Pay Gap and aligning with best practices for gender equity in the workplace; and,
- Respecting The Employment Equality Acts 1998-2015 and the Equal Status Act 2000 to not treat anyone unfairly because of any of the 9 Grounds of Discrimination (as defined in law) gender, marital status, family status, sexual orientation, religion, age, disability, race or membership of the traveller community.

We recognise that building strong relationships with our stakeholders, and ensuring that we engage with them regularly, plays a fundamental role in informing our Business Strategy and associated Policies. A key role of the NomCo is to ensure effective engagement with and participation from the Bank's key stakeholders. PTSB's People Function continue to ensure that feedback from colleagues, customers and communities is measured effectively in line with the Bank's Purpose and that key insights are brought to the NomCo on a regular basis. The Bank actively engages employees across all levels, fostering a culture of open communication, feedback, and collaboration. This inclusive approach allows us to gain diverse insights and identify potential risks early, ensuring that our strategies are both informed and responsive.

Listening to Employees and Acting on Feedback

The Every Voice Counts (EVC) Employee Engagement Survey is conducted annually and is designed to track progress across our Culture, Engagement, Trust and Net Promoter Score and to give our people an opportunity to provide feedback on what is working well across the organisation, while identifying areas for improvement.

The Bank regularly conducts micro-pulse surveys which cover a number of themes including Flexible and Hybrid Working and Speaking Freely. The findings enable us to evolve our action plans, ensuring we focus on the right things to support our colleagues.

For more information relating to colleague engagement, including the channels by which engagement occurs, please refer to S1-1.

S1-MDR1-A – Actions and resources in relation to Working Conditions

During 2024, the Bank made good progress in the implementation of actions to foster optimal working conditions, promoting equitable opportunities for all employees, and safeguarding worker's rights. Key actions taken in 2024 include:

- Enhancing our DEI Strategy with the recommendations put forward by the Irish Centre for Diversity following our Gold Accreditation, as we continue to drive improvements and target re-accreditation in 2025. In 2024, PTSB received a 'Highly Commended' in the Irish Centre for Diversity Outstanding Employee Resource Group Awards as a result of this work;
- Continuing to embed its Smarter Working Framework with c.68% of our colleagues now availing of Hybrid Working Options;
- Launching the newly established Adapt ERG to focus on physical ability and neurodiversity;
- Offering support for parents through 1:1 coaching and group sessions with our parental support partners;
- Ongoing roll out of the DEI Awareness mandatory annual eLearning for all colleagues;
- Ongoing review of all internal training material, ensuring consideration for accessibility and representation; Updates have included the addition of closed captions and imagery representing modern Ireland;
- Maintaining our Faith Room, Wellbeing Room and All Gender Toilets facilities at the Bank's Head Office, which now form part of our Property Strategy and will be incorporated into refreshed premises; and,
- Promoting a culture of psychological safety through Speak Freely, our channel for encouraging colleagues to speak up and raise a concern.

High Performance Culture

The Bank's performance management applies to all employees across the organisation, ensuring a consistent approach to employee performance, development, and evaluation. The Bank has in place a set of core competencies for all colleagues, relevant to their role within the business. These competencies are aligned to our Business Strategy and Organisational Values. The competencies are an integral part of our Career Development Framework, supporting colleagues' development and on the job career growth trajectory. PTSB has in place an online performance management system, Performance COMPASS, to encourage quality conversations and to streamline the completion of the performance management process.

Ways of Working (Hybrid Flexible Working)

Throughout 2024, the Bank has advanced it's Flexible and Hybrid Workplace creating a modern work environment that prioritises employee wellbeing as it fosters a supportive and inclusive workplace culture.

Employee Wellbeing

The wellbeing of our employees throughout all stages of their career and personal lives is of paramount importance to us. We are committed to ensuring a lasting positive impact on our colleagues through the implementation of various initiatives. As part of PTSB's investment in employee wellbeing, we offer a range of programmes and benefits to assist and support our people. As part of our Employee Proposition, our people are provided with a range of financial, physical and emotional health and wellbeing programmes and benefits.

Financial	Physical/Emotional/Mental Health
Pension Plan	Health Screening
Income Protection Benefit	Eye Testing
Sick Pay Scheme	Employee Assistance Programme for Colleagues and their Spouse, Adult Dependent Children and Dependent Parents (Counselling Service)
Staff Banking	Parental Supports (1:1 Career Coaching for Parents and People Managers And Supports For Parents And Carers Of Toddlers To Teenagers)
Cycle To Work Scheme	Menopause Supports for Colleagues and People Managers
Annual Travel Pass Scheme	Mental Health Training Addressing a Variety of Themes
Employee Discount Scheme	A Range of Health and Wellbeing Related Information Sessions
Holiday Fund	Lifestyle/Wellbeing Workshops
	Work Station Assessments (Both In Office And At Home)
	Education Support
	Paid Maternity and Paternity Leave Adoptive Leave
	Life Leave (5 Days)
	MyLife App

Investing in Learning and Development

PTSB recognises the importance of both personal and professional development when it comes to delivering on our purpose and ambition. Our focus is on our people and our mission to equip them with the necessary skills and behaviours to develop and thrive in an ever-changing financial services landscape. We support our colleagues with a diverse catalogue of education and training courses as well as other professional development opportunities tailored to their role, enabling them to learn and adopt new skills that will be critical to the future of banking. A dedicated Learning and Development Team is in place to coordinate activity and deliver programming.

Diversity, Equity and Inclusion

PTSB is an equal opportunities employer committed to creating a professional environment in which our employees feel valued, included and empowered to succeed in their career, regardless of gender, age, sexual orientation, race, religion, ability/disability, background or life experiences.

PTSB acknowledges the significant role that our colleagues play in ensuring operational success and long-term sustainability. We are committed to addressing the material People Risk that arise from impacts and dependencies on our workforce, such as those related to employee wellbeing, safety, engagement, and productivity. To manage these risks, we have implemented a range of strategic actions, both planned and currently underway, while ensuring that their effectiveness is continuously monitored and tracked.

The Bank monitors any incidents, breaches, or complaints related to working conditions, equal opportunities and workers' rights through channels including:

Employee Representative Bodies (ERBs) / Trade Unions

- PTSB operates under an established partnership model with our formally recognised Representative Bodies – Unite, Mandate and FSU;
- Company representatives meet with the internal committees and the full-time officials on a regular basis. This allows for matters to be discussed in a structured way and provides an opportunity to deal with anything that may arise at inception, greatly increasing the chances of internal resolution;
- All material organisational changes, including changes to established terms and conditions of employment (to the extent they arise), are discussed and negotiated in advance with the Representative Bodies;
- All employees receive regular updates on organisational matters through a diverse range of communication mechanisms;
- Monthly engagements with the formally recognised Trade Unions to discuss business updates and to raise and address areas of concern for colleagues;
- Annual pay negotiations with the Representative Bodies; and,
- Executive and Senior Leadership Team members meet the ERBs on an as needed basis depending on the agenda and business requirements and have scheduled bi-annual engagements with the ERBs to update them on the organisational trading position, the Bank's Purpose and Strategy, together with the opportunities and challenges being faced.

People Experience Council (PEC)

- As a group of leaders within the organisation, across multiple levels and functions, PEC members are empowered and mandated by the ExCo to work with teams in their area as they seek to drive and support positive cultural and behavioural change. The PEC members listen to colleague feedback and work to support the culture in their respective functions to address behavioural inconsistencies across the Bank. PEC members also lead the development of the Every Voice Counts Action Plans to address areas for improvement. The Company Secretary (Board Nominee) attends the PEC to support the Board and gain a greater understanding of culture/ employee sentiment;
- As part of this group, the Board not only gains a deeper understanding of the drivers behind the employee engagement survey results (PTSB Every Voice Counts Survey, IBCB Éist Survey), they also gain diverse perspectives on what actions will address the areas for development and also any emerging areas of discontent from employees; and,
- The Risk and Compliance Committee is responsible for monitoring compliance with relevant laws, regulatory obligations and codes of conduct. This is facilitated by regular reporting on compliance risks to the Committee.

Gender Pay Gap Reporting

The Gender Pay Gap is the difference between the average gross hourly earnings of all men and the gross hourly earnings for all women in an organisation, regardless of the nature, experience, qualifications or working pattern of their jobs.

Having reviewed the series of employee engagements during 2024, the NomCo was satisfied that this engagement was effective and in compliance with the UK Code.

Our progress in creating this culture is measured through our EVC Survey and our Micro-pulse Survey which asks the question 'where I work, people can share their opinion without fear of negative consequences', which held the EVC scoring at 74% from 2023 to 2024.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of activity in place to support the Bank's Own Workforce. PTSB has not disclosed these figures publicly.

S1-MDR1-M Metrics in relation to Working Conditions

The Bank employs key metrics to evaluate its performance and effectiveness regarding its impact on employees, particularly in relation to ensuring adequate working conditions, equal opportunities, and the protection of workers' rights.

The following metrics and targets provided, in addition to other metrics already disclosed of PTSB's commitment to ensuring a positive work environment, which is essential for productivity, People Risk mitigation and enhancing brand reputation and awareness within the industry.

Gender Pay Gap (GPG)

The Bank reports the difference between the average (mean) and the midpoint (median) earnings of men and women, expressed relative to men's earnings. PTSB report twenty different metrics, based on a 'snapshot' of pay data on a date of our choosing in June 2024,[1] which acts as a baseline for the reporting year.

- Mean Gender Pay Gap 2024 – 16.9%
- Median Gender Pay Gap 2024 – 11.6%

Culture Index Score

The Bank measures its Culture Index Score through its annual EVC survey. It is calculated from 20 specific questions with themes such as Personal responsibility for Risk, Feeling of Belonging and Managers and Leadership behaviours.

In 2024, the Bank's Culture Index was 76% (+6% on target).

Board Diversity Metrics

PTSB recognises the benefits of having a diverse Board whose members reflect a wide range of knowledge, skills and experience with differences in educational and professional background, ethnicity, gender, age, cognitive and personal strengths, and other qualities, in order for the Board to be able to discharge its duties and responsibilities effectively, in addition to having a diverse senior leadership and executive management succession pipeline.

1 There have been no material changes up to 31st December 2024.

The Bank tracks the following metrics in relation to Board diversity:

- Board members with core relevant banking and/or financial services knowledge and experience; and,
- Board Gender Balance.

Please refer to ESRS 2-GOV1 and S1-9 for more information on Board Diversity.

Our Gender Pay Gap has been validated by an independent external body. The other metrics disclosed have not been validated by an external body other than the Bank's assurance provider.

S1-MDR1-T Tracking effectiveness of policies and actions through targets

Our approach to setting targets for improving working conditions is dynamic, allowing us to adapt and respond to new challenges and employee feedback as it arises. We regularly review progress toward our goals in collaboration with workforce representatives and adjust our strategies as necessary to ensure that we continue to make meaningful progress in creating a safer, healthier, and more supportive work environment.

To ensure that the targets we set for improving working conditions reflect the needs and expectations of our workforce, we actively involve employees in shaping these objectives. Through a combination of direct feedback mechanisms and collaboration with employee representatives, we ensure that our goals are grounded in the real experiences and concerns of those most affected, our employees.

Culture Index Score

PTSB has a Culture Index score target of 70%.

Board Diversity Targets

The Board Diversity targets include:

- A majority of Non-Executive Directors, the Board Chairperson together with the Chairpersons of the Audit and Risk and Compliance Committee should have core relevant banking and/or financial services knowledge and experience (obtained working for a financial institution or through the provision of services to a financial institution).
- The Board exceeded its objective of requiring a majority of Non-Executive Directors, the Board Chairperson together with the Chairpersons of the Audit and Risk and Compliance Committees to have relevant banking and/or financial experience and is satisfied that all Directors have attained the required financial literacy threshold.
- The Board will be gender balanced (50% between Directors identifying as male or as female). Where the Board (or Board Committee) has an uneven number of Directors, a rounding down is deemed still to have achieved balance (for example, 6 out of 13 directors).
- At 31 December 2024 the Board female/male stood at 60:40 (67:33 for Non-Executive Directors) against a gender diversity target of 50:50. This exceeds the UK Listing Rules target to have at least 40% female representation on the Board.
- At least one of the Chairperson, Chief Executive Officer, Senior Independent Director or Chief Financial Officer positions will be held by a female (including those self-identifying as a female).
- The Board has also met its diversity target of having at least one senior board position held by a female with the Chairperson position held by a female throughout the year and is also in line with the role model ambitions of the Board in increasing diversity and inclusion across the rest of the Group.
- The metrics and targets disclosed above are related to the Bank's Own Workforce and not directly pertain to environmental matters.

PTSB is a credit institution licensed and regulated by the Central Bank of Ireland. The Bank operates in the Republic of Ireland and is noted as an 'Other Systemically Important Institution' (O-SII), which are institutions that are systemically important to the domestic economy or to the economy of the European Union (EU). The Bank has a presence in 98 branch locations nationwide and is a leading provider of Retail and Business Banking in the Irish Market, serving c.1.3 million customers.

The Bank considers the following Consumers and End-Users as subject to material impacts including its Retail Customers, Small and Medium Enterprise (SME) Customers, Asset Finance Customers, Corporate Deposit Customers and Other Customers, including those who may be vulnerable or underrepresented. In addition, PTSB considers society as subject to material impacts by our own operations or through our value chain.

The findings from the Bank's DMA, which included the viewpoints of the Bank's Consumers and End-Users, will guide and inform the development of a refreshed Sustainability Strategy for the Bank during 2025.

The Bank defines vulnerable customers as per Consumer Protection Code (CPC) 2012. 'A vulnerable customer means a natural person who:

- Has the capacity to make his or her own decisions but who, because of individual circumstances, may require assistance to do so (for example, hearing impaired or visually impaired persons); and/or,
- Has limited capacity to make his or her own decisions and who requires assistance to do so (for example, persons with intellectual disabilities or mental health difficulties)'. (Consumer Protection Code 2012, Chapter 3, S 3.1)

PTSB does not offer products that are harmful to people and/or may increase the risk of chronic disease.

When considering the Consumers and End-Users that may be subject to negative impacts regarding their rights to privacy, personal data protection, freedom of expression or non-discrimination, the Bank includes the following customer cohorts: Retail, Business Banking and Asset Finance. This includes those who may be vulnerable or underrepresented.

When considering the Consumers and End-Users that may be dependent on accurate and accessible product-or service-related information, such as manuals and product labels, to avoid potentially damaging use of a product or service, the Bank includes the following customer cohorts: Retail; Business Banking; Asset Finance; and Other. This includes those who may be vulnerable or underrepresented.

When considering the Consumers and End-Users that may be particularly vulnerable to health or privacy impacts, or impacts from marketing and sales strategies, the Bank includes those customers categorised under the Consumer Protection Code 2012's vulnerable customer definition outlined above.

As part of the Bank's DMA, we identified the material IROs in relation to Consumers and End-Users which have been outlined in ESRS 2 SBM-3. Further detail can be found in S4-MDR1 and S4-MDR2.

Vulnerable customers and their associated risk of harm has been considered in relation to the Bank's activities.

We are committed to understanding the needs of our customers and to ensuring that the products and services we provide allow all people, including those who may be vulnerable or underrepresented, equal opportunity to access them.

In compliance with the Assisted Decision-Making (Capacity) Act 2015, we have enhanced our procedures for assisting vulnerable customers, modernised our internal systems and cultivated effective relationships with external Government bodies. In response to meeting the needs of customers who require additional assistance, the Bank has established a dedicated Vulnerable Customer Support Unit, whose role is to provide additional support to vulnerable customers.

The Bank's Enhanced Customer Support Policy, Framework and Charter are focussed on all customers who may require additional assistance, including those who may find themselves in vulnerable circumstances.

There are currently no material Risks or Opportunities associated with dependencies on specific Consumers and End-users.

S4-1 Policies related to Consumers and End-Users

The Bank has policies, procedures and codes in place to manage the material IROs related to Consumers and End-Users as outlined in ESRS 2-MDR-P. Further detail can be found in S4 MDR1 and S4 MDR2.

Policies are reviewed and updated as required as part of the Bank's policy review cycle.

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

Human Rights

PTSB recognise our responsibility to respect the human rights of every individual. The Bank has in place a Dignity and Respect Code and Equality through Diversity and Inclusion Charter. The Code and the Charter focus on the prevention of discrimination, the provision of equal opportunities and ensure that individuals are treated with dignity and respect, including our Consumers and End-Users.

To mitigate against human rights risk, or violations that may occur, the Bank has comprehensive due diligence procedures in place to support the Bank in meeting all relevant human rights legislation in the Republic of Ireland in respect to Consumers and End-Users. To support, we also have in place a suite of reporting mechanisms through our Speak Freely channels that enables the timely reporting of issues. For more on our Speak Freely Procedure, please refer to ESRS 2-MDR-P.

Procedures are in place for dealing with reported human rights allegations and instances are addressed on a timely basis. When preparing this disclosure, PTSB has no severe human rights issues or incidents connected to its Consumers or End-Users to disclose.

We acknowledge our responsibility to respect human rights as set out in the International Bill of Human Rights and the eight fundamental conventions on which the United Nations Guiding Principles on Business and Human Rights are based. At present, PTSB does not have Policies which are fully aligned with the UN Guiding Principles, International Bill of Human Rights or the Organisation for the Economic Co-operation and Development (OECD) in respect to Consumers and End-Users. The Bank does meet all relevant human rights legislation in the Republic of Ireland in respect to Consumers and End-Users. We keep our policies under review and update them as required as part of our policy review cycle.

The Bank has in place additional requirements set out in other policy documents that help to encourage the right behaviour, including Conflict of Interest, Anti-Money Laundering/Terrorist Financing, Sanctions and Anti-Bribery and Corruption. Please refer to ESRS 2-MDR-P for more information.

S4-2 – Processes for engaging with Consumers and End-Users about impacts

In 2024, the Bank engaged with our stakeholders as part of our Double Materiality Assessment. This engagement included our consumers and end-users, regarding the Impacts outlined in ESRS 2-SBM-2 and ESRS 2-IRO-1.

A sample of our customers were engaged with directly through a survey and no proxies were used. The assessment was undertaken by an independent third party to ensure complete confidentiality and impartiality. Views from the engagement with our customers informed the Material Impacts. This was overseen by the Bank's Sustainability Committee.

The Bank has in place a dedicated Customer Team with responsibility for overseeing engagement with our customers. For the Double Materiality Assessment process, the Chief Sustainability and Corporate Affairs Officer was the Executive Committee member responsible for overseeing the engagement with our Consumers and End-Users.

Given the engagement with our customers was designed to determine the material IROs for the Bank, we did not evaluate the effectiveness of the engagement or agree any outcomes beyond helping to understand the material IROs.

The Bank is committed to fostering openness and inclusivity and to delivering an exceptional experience to our customers and communities, especially those that may require additional support or who may be vulnerable. By prioritising the needs of vulnerable customers, we not only enhance their financial wellbeing but also strengthen our commitment to building trust within our communities. Through our stakeholder engagement channels, the Bank has procedures in place to enable our vulnerable customers to feedback any issues that they may experience.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Bank has in place Frameworks, Policies and Procedures applicable to ensure that we can remedy customer impacting errors (CIEs), in a comprehensive, customer-focussed, and timely manner whenever they occur. These cover how the Bank defines the issue identified, stops the harm, identifies the population of customers, puts in place a remediation and communication approach, future proofs the issue and completes any remediation that may be required. This process is overseen by a dedicated CIE Forum which includes representation from key stakeholders from around the business. The Forum meets monthly. When CIEs are identified, the Bank aims, where at all possible, to put the customer back in the position had they been in had the error not occurred.

In instances where there may be a customer appeal, these appeals are monitored, and the Bank remains committed to reviewing outcomes to ensure potential liabilities are addressed effectively.

The Bank has a Customer Committee in place to ensure that fair customer outcomes remain at the forefront of decision making, in the context of building customer trust and executing a purpose-led, customer growth strategy.

Part of the role of the Customer Committee is to review relevant customer events, issues and complaints, when escalated by relevant sub-committees and forums, to provide guidance on significant issues/events, and to delegate appropriate action by relevant sub-committees. The Customer Committee is a sub-committee of ExCo and is chaired by the Chief Retail Banking Officer.

In addition, the Bank has a dedicated Complaints and FSPO Forum (CFF) which is a sub-committee of the Customer Committee. The CFF meets monthly to review complaint operations and trends and works with Business Units to develop and implement improvement plans for issues identified across the Bank. The Forum also discusses individual cases, with a view to ensuring lessons are learned and issues identified are rectified.

The Bank has the following channels in place to process concerns raised by Consumers and/or End-Users:

- Voice of the Customer (VOC) Programme, designed to give our customers a voice and create a channel for two-way communication and feedback. VOC enables us to collect customer feedback from everyday interactions in our Customer Contact Centres, Retail Network and Digital channels in real time. The Customer Experience Continuous Improvement Forum meets weekly to review customer feedback across business areas and customer touchpoints, with the aim of identifying, prioritising and fixing customer pain points.
- Vulnerable Customer Support Unit, aimed at providing support to both our customers and our frontline employees; and,
- Additional support channels through the Bank's branch network, customer contact centres, online complaints forms and social media are available for our customers to raise their concerns.

In addition, the Bank engages third parties in interactions with customers throughout the lifetime of the relationship, including when customers make complaints either directly, through the FSPO, or where CIEs occur.

Formal complaints can be raised through the channels outlined above. The process for tracking and monitoring complaints is outlined below:

- We aim to resolve all issues where possible when a customer contacts us;
- If we are unable to resolve the complaint within 5 business days, we will write to formally acknowledge the complaint and provide a complaint reference number. Customers are also informed of the name and contact details of the person dealing with the complaint;
- Some complaints are more complex and cannot be resolved in the time we would like, so while under investigation, the customer is kept updated;
- Customers may be telephoned for further details in relation to the complaint and to keep them informed on our investigations; and,
- Once all the details of the complaint have been investigated, we will issue the customer with a 'Final Response Letter'.

If the customer is still not satisfied, the Bank can be contacted to further discuss the matter. Should this remain unresolved, customers have the option to escalate to the Financial Services and Pensions Ombudsman (FSPO). Further details can be found within the Bank's Complaints Charter, which is made available online.

Trends and issues identified through complaints are discussed at the CFF. Business Units use this information to identify areas for improvement in customer service, with the aim of improving processes and reducing complaints, where possible.

To ensure that consumers are aware of the complaints structures that are in place, and the channels that they can raise their concerns, PTSB has in place a Complaints Charter which is available to all customers online.

The Bank is involved in High Court appeals against two tracker mortgage related Financial Services and Pensions Ombudsman (FSPO) decisions and, while the timing and outcome of these appeals is uncertain, based on legal advice received, no provision has been made for these cases.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The impacts, risk and opportunities related to the Consumers and End-Users topic have been grouped into two themes. They cover S4-MDR1 Housing and S4-MDR2 Customer Experience. The detailed actions and effectiveness of those actions relating to the IROs under each theme are outlined in relevant sections below.

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Targets relevant to management for IRO related Consumers and End-Users are outlined in S4-MDR1-T and S4-MDR2-T.

S4 Minimum Disclosure Requirements

As part of the development of the Bank's IROs, we identified similar themes emerging, so the Minimum Disclosure Requirements have been consolidated under thematic headings. The two themes under which we disclosed material IROs related to Consumers and End Users are S4-MDR1-Housing, S4-MDR2-Customer Experience.

S4-MDR-1- Housing

The IROs reflected in S4-MDR1 are outlined below:

IRO-Ref	IRO	IRO	Details	Positive or Negative	Potential or Actual
O-5	Opportunity	Providing adequate housing via mortgage financing for customers across Ireland can lead to an enhanced reputation and increased market share.	There are a number of reasons why PTSB considers making home ownership more accessible a significant opportunity. These include alleviating the housing crisis, improving living conditions, boosting the economy, broadening the customer base, fostering community stability, and supporting the Bank to position itself as a socially responsible institution. By enabling home ownership, supporting affordable housing initiatives, and driving local economic development, PTSB can contribute to improved quality of life for its stakeholders, and economic stability.	n/a	n/a

S4-MDR-P Policies adopted to manage Housing

The Bank has the following Policies in place to ensure adequate housing for Consumers and End-Users through mortgage financing:

- Credit Risk Management Framework
- Group Credit Policy
- Enhanced Customer Support Policy

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

S4-MDR1-A Actions and resources in relation to Housing

The Bank has multiple channels in place to assist customers with mortgage financing, ensuring access to adequate housing. These include tailored mortgage products, flexible payment options, and personalised financial advice to meet diverse needs. Additionally, we streamline the application process and provide ongoing support throughout the home-buying journey.

The following are key actions we have implemented to support our customers with mortgage financing:

Online Mortgage Portal

During 2023, the Bank launched a Digital Mortgage Journey to the market through the introduction of its Online Mortgage Portal. Through the Portal, customers can now start their Mortgage application, track their progress and talk to a PTSB team member whenever they need to, at a time and a place that suits them.

Extending our 2% & 2% Mortgage

The Bank has expanded its 2% cashback on monthly mortgage repayments to existing mortgage customers. This is following the extension of the award winning 2% & 2% Mortgage until 31 March 2025. Launched in 2017, the proposition was the first of its kind in Ireland and enables customers to get 2% cashback at drawdown and 2% cashback on their monthly repayments until 2027, when they pay using their Explore Current Account.

Green Mortgage

PTSB has in place a Green Mortgage offering, a 5-Year and 3-Year Fixed Rate Product available to all new and existing home loan customers, where their homes have a confirmed or proposed Building Energy Rating of A1 to B3.

The Bank's Green Mortgage offers competitive rates that encourages sustainable home ownership, helping customers invest in energy-efficient properties while contributing to a greener future.

Supporting Customers in Financial Difficulty

The Bank is committed to supporting customers that are experiencing financial difficulty and seeks to work with those customers to find a sustainable solution through proactive arrears management and forbearance. The Group's forbearance strategy is built on two key factors namely affordability and sustainability. The main objectives of this strategy are to ensure that arrears solutions are sustainable in the long term, that they comply with all regulatory requirements and where possible keep customers in their home. Types of forbearance arrangements currently offered by PTSB are customer specific and provide, temporary and or term appropriate arrangements, as necessary.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of PTSB's mortgage financing activity. PTSB has not disclosed these figures publicly.

Green Bonds

Green Bonds are financial instruments designed to raise funds for projects with environmental benefits. During 2024, PTSB issued €500m Green Senior HoldCo notes at a coupon of 4.25%. The issuance was 4.5 times oversubscribed with a final order book of €2.2bn, comprising of 120 investors. These bonds finance renewable energy projects, energy-efficient housing, and other environmentally sustainable initiatives.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of activity. PTSB has not disclosed these figures publicly.

S4-MDR1-M Metrics in relation to Housing

The Bank uses the following metrics to evaluate performance and effectiveness in key areas such as Housing:

Mortgage Lending

- New Mortgage Lending for 2024 was c.€2.1 billion. The Bank's share of the new business Mortgage market was 16.4%; and,
- Green Mortgage Lending in 2024 accounted for 43% of New Mortgage Lending, +28% YoY.

S4-MDR1-T Tracking effectiveness of policies and actions through targets

PTSB has not disclosed these targets publicly.

S4-MDR2-Customer Experience

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
I-4	Impact	The impact on society, and Consumers and End- Users from failing to implement appropriate measures to protect customer information and ensure vulnerable customers avail of PTSB's services.	Banks play a crucial role in shaping the financial landscape and if it fails to protect vulnerable customers or address key societal issues the negative impact on society and consumers can be significant. PTSB considered a range of potential negative impacts under this theme including poor corporate culture, neglecting social inequality, insufficient digital access, lack of inclusion and failure to cater to those effected by extreme weather events.	Negative	Potential
I-5	Impact	The impact PTSB has on society and Consumers and End-Users by promoting financial wellbeing and providing customer supports.	The Bank's impact on society extends beyond its role in financial transactions. PTSB considered a longlist of positive and negative, actual and potential impacts which could be categorised under the shared theme of customer experience. By promoting financial wellbeing and offering customer support, PTSB can contribute to the broader good. Effective corporate culture fosters engaged employees who deliver better customer service, ensuring accurate and transparent financial advice and fair treatment, which helps customers make informed financial decisions. Thorough business conduct risk assessments prevent harmful practices, which otherwise cause financial stress and hardship. Together, these measures alleviate financial burdens, reduce stress, and enhance mental wellbeing by fostering trust and stability in customers' financial lives. Additionally, providing financial advice and ensuring accessible, non-discriminatory services promote financial literacy and wellbeing. Together, these actions demonstrate the bank's commitment to positively impacting society by addressing housing needs, supporting economic growth, and empowering customers financially.	Positive	Both
O-4	Opportunity	The opportunity for the Bank to enhance its' brand and reputation by providing exceptional customer experience.	PTSB considers enhancing its brand reputation a key driver of its long-term success. Banks are increasingly evaluated on their behaviour, corporate culture, political engagement, supplier relationships, due diligence processes and partnerships with Non-Governmental Organisations (NGOs), government agencies, and community organisations. These opportunities contribute to increasing customer and employee trust and loyalty, building a positive public image within the community, and ultimately creating a sustainable competitive advantage.	n/a	n/a

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
R-4	Risk	Cyber Security Risk: The risk of unauthorised access, modification, malicious disruption or use of IT systems and data from within or outside the Bank (for example, cyber-attacks).	Elements of this risk have been mapped to the Information-related Impacts for Consumers and End-users topic. These relate to inadequate privacy protections, misleading/incomplete information, and inadequate GDPR compliance.	n/a	n/a
R-9	Risk	Regulatory Compliance Risk: The risk of material financial loss or liability, legal or regulatory sanctions, or brand damage arising from the failure to comply with or adequately plan for change to, official sector policy, laws, regulations, major industry standards, compliance policies and procedures or the expectations or customers and stakeholders.	Elements of this risk have been mapped to Information-related Impacts for Consumers and End-Users subtopics. These relate to ethics and conduct, data protection measures and current and emerging regulation.	n/a	n/a

S4-MDR2-P Policies adopted to manage Customer Experience

The Bank is committed to ensuring an exceptional customer experience by enhancing our customer's financial wellbeing with various supports. In addition, we are focused on ensuring that the appropriate measures are in place to protect customer information. To support this commitment the Bank has implemented the following policies.

- Regulatory Compliance Framework
- Data Protection Policy
- Information Security Policy

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2 MDR-P.

The Bank ensures transparent communication of its policies with consumers. All communications activity (including contracts and terms and conditions) within the Bank is guided by regulation, including the Consumer Protection Code 2012, the Advertising Standards Association of Ireland Code 7th Edition, and the values and operating principles set by the Association of Irish Market Research.

All information on product contracts and terms and conditions is written in plain English and is highly governed and approved by the Central Bank of Ireland. The Bank adheres to all of its regulatory requirements and meets all of its commitments in relation to contracts and Terms and Conditions of products or services. As part of the sales journey, detailed Terms and Conditions are provided to customers. These are available on our website and are represented in our marketing material in line with the guidance set out in regulation.

S4-MDR2-A Actions and resources in relation to Customer Experience

The Bank is committed to delivering enhanced customer support, data protection, information security, and colleague conduct to ensure high standards of service, compliance, and trust. An overview of the actions taken can be found below.

Through our Sustainability Strategy, PTSB is dedicated to championing our customers and creating a Bank that is fit for the future. This is achieved through:

- Understanding the needs of our customers and ensuring that the products and services we provide allow all people, including those who may be vulnerable or underrepresented, equal opportunity to access them;
- Maintaining our branch presence in communities across the country;
- Offering digital support to our customers through our product journeys, including introducing a Digital Current Account and Digital Mortgage Journey;
- Ongoing compliance with the Bank's regulatory requirements such as General Data Protection Regulation (GDPR), the Consumer Protection Code (CPC) and Anti-Money Laundering and Countering the Financing of Terrorism Legislation etc; and,
- Ensuring Responsible Marketing and Research.

Actions related to managing Cybersecurity risk and Data Protection

The Irish banking landscape is evolving, and the Bank recognises the fundamental role that we play in protecting both our customers and our business from online security threats.

Led by our Chief Technology Officer, our Technology Team constantly monitor cyber security threat levels, in addition to completing horizon scanning. Based on threat intelligence, the Bank prioritises investment in cyber defences and implements preventative measures accordingly. Proactive planning, ongoing vigilance and enhanced monitoring are key to our approach to cyber safety within the organisation.

In addition, to support our workforce in navigating the online world in a safe and responsible way the Bank continues to invest in learning and development, with compulsory cyber security training and awareness campaigns delivered to all colleagues on an annual basis.

In today's digital era, data protection threat continues to evolve and as such, protecting and safeguarding our customers' and our colleagues' personal data remains one of our key priorities.

Our day-to-day business activities require the processing of personal data. While Data Protection is a fundamental right under the EU Charter of Fundamental Rights, protected by both European and Irish legislation of which the Bank complies, PTSB has its own Data Protection Policy in place which sets out our approach.

Ensuring data protection is considered as part of change programmes, raising awareness and providing ongoing education and training to our people are critical ways in which we mitigate against data protection risk.

Customer Supports to Deliver a Superior Customer Experience

In order to deliver on our purpose, we are focused on developing trusted banking relationships with customers through listening to what they have to say, developing products that matter most to them, and, delivering a great customer service experience.

Encouraging Financial Wellbeing

The following measures are in place to support customer financial wellbeing:

- As part of our partnership with Irish Life, all customers can avail of a free financial review, focused on supporting them in making informed financial decisions. Through our partnership with Irish Life, in 2024 we completed c.12,000 financial reviews, both in-person and through our digital channels, to support customers in taking control of their financial future; and,
- Through our partnership with Leading Ireland's Future Together (LIFT) Ireland the Bank aims to build and strengthen young people's behaviours around their futures through our support of the delivery of a new 'Minding Our Futures' Pilot Programme, focused on the themes of Sustainability and Financial Wellbeing. The Pilot has been rolled out in 10 schools across Ireland and will be live through the 2024/25 academic year.

Enabling Accessibility of Our Products and Services

The following measures are in place to provide appropriate access and support to our customers including:

- A set of Vulnerable Customer Guiding Principles and an Enhanced Customer Support Policy and Framework to enable us to meet the needs of customers who may require additional support and care and to provide guidance and support to our colleagues;
- Vulnerable Customer Appointment Booking Service. A dedicated webpage for customers requiring enhanced support, outlining the services available and providing detail in relation to how they can be accessed;
- Enhanced Customer Support Charter for all colleagues;
- Support for the most vulnerable when moving their banking relationship as set out in 'A Guide to Moving Banks for Customers in Vulnerable Circumstances';
- Provision of an Enhanced Customer Support Team;
- Creation of an internal digital hub for staff with training and supports including Assisted Decision-Making (Capacity) Act 2015 Resources and Supports, policies and procedures, internal communications and links to external supports for all colleagues across the Bank;
- In our Retail Network, our branches are designed with accessibility in mind;
- A Sign Language Interpreting Service (SLIS) for customers to interact with us via interpreter services in our branch and over the phone;
- Working with Inclusion and Accessibility Labs (IA Labs) and the National Council for the Blind (NCBI) towards Web Content Accessibility Guidelines 2.1 level AA certification in order to provide a website that is accessible to the widest possible audience, regardless of technology or ability;
- Web Accessibility Advice Guidelines offering customers simple ways to make it easier to view content on our web pages including changing font size, colours and browser zoom options;
- A webchat service providing alternative ways to access the help and support of our Customer Support Team;
- In a global banking first, we introduced 'PTSB Protect' in October, a new feature to our banking app which will help prevent customers falling victim to fraudulent scams;
- PTSB is proud to support the 'Just a Minute' (JAM) Card initiative across each of our retail locations nationwide. JAM Card is a growing initiative that allows customers with a learning difficulty, autism or communication barrier tell others that they need 'Just a Minute' discreetly and easily when in public settings like shops, public transport or their local PTSB branch; and,
- PTSB has become the first financial institution in Ireland to be accredited with Autism-Friendly branches in four locations across the country and announcing a wider multi-year partnership with AsIAm, Ireland's Autism Charity, that will enable the charity to further support autistic customers and families and to promote and drive greater inclusivity in Irish society.

Digital Transformation
Personal service will remain at the heart of our service offering for customers. . However, as customer needs continue to evolve, digitalisation is playing an ever increasing role in our service offering. Throughout 2024, we continued to invest in improved customer experiences through our technology and digital channels Actions taken include:

- Modernising our technology architecture;
- Renovating our core banking platforms;
- Ensuring continuous improvement in our Digital Current Account and Digital Mortgage Journeys;
- Adopting customer-led research and prototyping practices, ensuring our digital propositions are validated directly with our customers; and,
- Creating in-app feedback mechanisms allowing customers to share their experiences in real time, enabling us to iterate and improve in response to customer needs.

Vulnerable Customers
Please refer to S4-MDR2-A for an overview of the Bank's approach to mitigate against negative impacts to vulnerable customers.

Enhancing Brand and Reputation
In October 2023, the Bank launched a major overhaul of brand and customer positioning for the first time in over 20 years. Key elements of the change included:

- A complete rebranding of the Bank as PTSB, an acronym of the Bank's full name and previous brand permanent tsb;
- The introduction of a new customer promise – 'Altogether More Human'; and,
- The new brand name and visual identity is being phased in across the Bank's operations and will feature across primary branch locations, customer touchpoints and digital platforms, communications and advertising.

The new brand positioning emphasises PTSB's intentions as a full-service Personal and Business Bank, bringing technology and people together to solve real customer needs and deliver a better banking experience. The continued investment into our branches has allowed us to better serve our customers via our in-person channels. Our refurbished branches now have enhanced digital capabilities including, digital marketing screens that reduce our reliance on print marketing, new Open 24 kiosks with enhanced capabilities, state of the art, purpose-built customer meeting areas and the latest ATM and SSBM technology that allows us to accept cash and cheque lodgements across many branches in our network 24/7.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of PTSB's customer experience activity. PTSB has not disclosed these figures publicly.

S4-MDR2-M Metrics in relation to Customer Experience

The Bank uses the following metrics to evaluate performance and effectiveness in key areas such as enhanced customer support, data protection, information security, and conduct.

Metrics specific to Cybersecurity and Data Protection

- All colleagues engage in compulsory Data Protection training each year. In 2024, c.100% of colleagues completed the training with an 80% pass rate requirement.

Metrics specific to Superior Customer Experience

- There is a Customer Experience Objective recorded in all colleagues Performance Management Objectives;
- A Relationship Net Promoter Score (RNPS) measures the willingness of customers to recommend a company's products or services to others.
- A customer brand tracking survey carried out in 2024 indicated that the Bank's RNPS Score increased +10% in 2024. Customer Experience RNPS targets are set annually and allocated quarterly. Benchmarking of targets is provided by Medallia, the Bank's 'Voice of the Customer' Programme platform.

The Bank has a zero tolerance for deliberate and/or repeated poor or unfair customer outcomes (financial or nonfinancial), or any market impact which arises through inappropriate actions, or inactions in the execution of our business. Any instances of breaches are reported throughout the year.

S4-MDR2-T Tracking effectiveness of policies and actions through targets

The Bank uses the following targets to evaluate performance and effectiveness in key areas such as Enhanced Customer Support, Data Protection, Information Security, and Conduct.

Targets specific to Cybersecurity and Data Protection

- The Bank's target is that 100% of colleagues will complete Data Protection training each year.

Targets specific to Superior Customer Experience
The Bank has Targets in place for the following:

- A target for Customer Experience is set annually as part of our colleagues' Performance Management Objectives. It is monitored at regular intervals through the Bank's Performance Management Process;
- The Bank has targets in place for RNPS and TNPS across all customer channels. These targets are tracked and reported quarterly to the Customer Committee, Executive Committee and Board via the Customer Strategy and Experience Report, which travels to Customer Committee, the Executive Committee and the Board on a regular basis. PTSB has not disclosed these targets publicly; and,
- The Bank has a zero tolerance for deliberate and/or repeated poor or unfair customer outcomes (financial or nonfinancial), or any market impact which arises through inappropriate actions, or inactions in the execution of our business.

PTSB has not disclosed these targets publicly.

Governance

GOV-1 The role of the administrative, supervisory and management bodies

PTSB defines its administrative, management, and supervisory (AMS) bodies as the Board, the Executive Committee, and their respective Sub-Committees. The Board's Sub-Committees include the Audit Committee, Risk and Compliance Committee, Remuneration Committee, and the Nomination, Culture, and Ethics Committee.

The Executive Committee's Sub-Committees include a number of committees, including the Sustainability Committee, which is responsible for oversight of the delivery of PTSB's Sustainability Strategy.

PTSB is committed to operating responsibly and conducting our business to the highest ethical and professional standards. We are focused on upholding the highest standard of conduct and behavior among our people.

The Individual Accountability Framework (IAF), introduced by the Central Bank of Ireland (CBI) in 2023, aims to enhance accountability in financial services through three key components: the Senior Executive Accountability Regime (SEAR), the IAF Conduct Standards, and enhancements to the Fitness and Probity (F&P) Regime.

- SEAR is designed to improve governance, performance and accountability in Financial Services firms by obliging firms and colleagues in Pre-Approved Controlled Function (PCF) roles to clearly document where responsibility and decision making lie in the firm. This includes the roles within the Bank that are sustainability-related and promotes a culture of accountability within the organisation. The PTSB SEAR Handbook outlines how SEAR operates within the Bank and sets out the steps that PCFs, their teams and all relevant stakeholders must take to manage the obligations under the SEAR.
- The core function of the F&P Regime is to ensure that individuals in key and customer facing positions (referred to in the legislation as Controlled Functions (CFs) and PCFs within a Regulated Financial Service Provider are competent and capable, honest, ethical and of integrity and financially sound. The objective of the PTSB F&P Policy is to clearly define the specific roles, responsibilities and accountabilities across the Bank in relation to the implementation of F&P requirements.
- The IAF Conduct Standards require CF role holders to take reasonable steps to adhere to the standards of conduct that the Bank (and by extension, our customers and the CBI) expect from each of us. PTSB is obligated to establish, maintain, and give effect to policies on how the IAF Conduct Standards are integrated into the culture and conduct of the affairs of the Bank, as well as notify and train in-scope colleagues on how the IAF Conduct Standards apply to them. The IAF Conduct Standards Policy sets out the requirements across PTSB for the embedding of the IAF Conduct Standards. An IAF Conduct Standards Handbook has been prepared by the Bank which provides practical support to colleagues in understanding the concept of reasonable steps and guiding them in understanding the steps that are reasonable for them to take to uphold the relevant IAF Conduct Standards. This includes consideration for sustainability, where required.

The following groups or individuals form part of PTSB's AMS bodies and support the Bank in adhering to its Business Conduct commitments.

The Board of Directors (Board)

The Board is collectively responsible for the governance of the Bank and is responsible for:

- Setting and overseeing performance against strategy;
- Ensuring business activity aligns with the Bank's stated Purpose, Ambition, Values and Culture;
- Setting and overseeing all risk, financial, compliance and performance standards; and,
- Demonstrating leadership, setting the tone from the top.

For more on the roles and responsibilities of the Board, please refer to ESRS 2, Section 22.

Board Risk and Compliance Committee (BRCC)

The BRCC oversees the company's risk management, ensuring risks are identified, monitored, and managed within the company's Risk Appetite Statement (RAS). It monitors compliance with laws, regulations, and ethical standards, overseeing policies on fraud prevention, anti-money laundering, and regulatory compliance. The BRCC supports the Board on risk management and that the Bank's Strategy is consistent with the Bank's Risk Appetite. The Committee focuses on operational resilience, the incidence and management of material risk events. It also reviews the company's engagement with regulators and the effectiveness of risk management controls.

Board Audit Committee (BAC)

The BAC monitors the effectiveness and adequacy of financial controls, risk management, and internal audit processes. It reviews financial statements to confirm they are accurate and fairly represent the company's financial health. The BAC also oversees the work of internal and external auditors and considers the external auditor's independence and objectivity and the effectiveness of the audit process. The Committee reviews discoveries of fraud and legal violations reported by the internal audit team. Additionally, the BAC review the company's governance and approval processes as they related to financial statements, and internal controls to ensure compliance with laws and regulations, making recommendations to the Board on approving financial reports and maintaining transparency.

Nomination, Culture and Ethics Committee (NomCo)

The NomCo is a dedicated Board Committee with accountability for culture, behaviour, ethics and reputation management oversight in the Bank.

Directors must act in a way they consider, in good faith, would promote the success of the Bank for the benefit of shareholders as a whole and, in doing so, have regard (amongst other matters) to the likely consequences of any decision in the long-term, the need to foster the Bank's business relationships with customers, suppliers and others, interests of the Bank's employees; impact of the Bank's operations on the community, environment and tax payer, and desirability of the Bank maintaining a reputation for high standards of Business Conduct.

The NomCo receives regular updates on key themes and issues reported through the Bank's Speak Freely process.

The Chief Executive Officer (CEO)

The Board delegates executive responsibility to the CEO for PTSB's operations, compliance and performance. The role of the CEO is to select and lead an effective team to manage the Bank. The CEO is required to provide information and insight to the Board that is reliable, relevant, timely, clear and balanced, in order to assist the Board in monitoring the performance of the Group and in making well-informed and sound decisions.

Executive Management Oversight

The Executive Committee (ExCo) is the Senior Management Committee of PTSB established by the CEO with authority to operate and make decisions within limits set by the Board. The ExCo is the accountable body for the Group's operations, compliance and performance, defining the Group's organisational structure, ensuring the adoption, application and maintenance of all standards set by the Board, and a forum for colleagues and other functional issues and ensuring that a robust and resilient operating framework exists within which the Group's activities are undertaken.

Senior Leadership Team

The ExCo is supported by the Senior Leadership Team (SLT) in the implementation of high standards of operational and Business Conduct. Members of the Bank's SLT include the heads of key business divisions and functions, such as Retail Banking, Risk, Compliance, Sustainability and Corporate Affairs, Finance, Operations, Technology, Human Resources, Product and Marketing, Legal and Governance and Secretariat. Together, the SLT ensures the effective execution of the Bank's strategic objectives, adherence to regulatory requirements, and alignment with the principles of sound governance and sustainability.

The ExCo's Sub-Committees include the Sustainability Committee. The SusCo is responsible for the delivery of the Bank's Sustainability Strategy by ensuring that there is sufficient oversight, alignment, governance and challenge of activity across key areas of focus for the Bank's overall sustainability programming.

Board

For an overview of the expertise of the Board, please refer to ESRS 2-GOV-1.

Executive Committee

The relevant experience of each of the ExCo members is outlined below.

Name	Role	Relevant Experience
Eamonn Crowley	Chief Executive Officer	• Please refer to ESRS 2-GOV-1.
Barry D'Arcy	Chief Financial Officer	• Please refer to ESRS 2-GOV-1.
Ger Mitchell	Chief Customer and People Officer	• Member of the Executive Committee since 2012. • Held a number of roles at Executive level including HR, Products, Corporate Affairs, Sustainability and Marketing. • Role expanded to include the Bank's Product and Pricing Strategy, which brings the Colleague and Customer Experience together alongside the Marketing and Product Strategy. • Extensive experience in Acquisitions, Responsible and Sustainable Business, Brand Positioning, Retail Banking, Product Marketing and Management, Consumer Marketing, Business Transformation, Customer Remediation and Human Resources.
Andrew Walsh	Legal Council	• Member of the Executive Committee since 2015. • Extensive legal advisory experience, in both private practice and in-house roles. • Former partner in a leading corporate Irish law firm, advising a number of Irish and international banks and financial services institutions.
Claire Heeley	Head of Internal Audit	• Chartered Accountant with over 20 years' experience, joined the Bank in 2021 as the Bank's Head of Group Internal Audit. • Former Managing Director, Risk and Regulatory Consulting in KPMG, leading major risk transformation projects and the delivery of internal audit services to a portfolio of financial services clients for over six years. • Former Retail Division Audit Partner in the Group Internal Audit division of Bank of Ireland and Deputy Group Secretary of Bank of Ireland.

Name	Role	Relevant Experience
Tom Hayes	Chief Technology Officer	• Former AIB Head of Digital Transformation Delivery. • Former AIB Head of Customer Engagement Technology. • Former AIB Digital and Group Head of IT Infrastructure and Operations.
Patrick Farrell	Chief Retail Banking Officer	• Over 25 years' experience across the banking industry. • Former PTSB Retail Banking Director. • Previously held senior management roles in Strategy, Product and Proposition Development, Marketing, Private Banking and Retail Sales and Service Distribution.
Peter Vance	Chief Operations Officer	• 25 years' experience in Financial Services. • Held senior positions as Head of Group Operations and Executive Head of Direct Sales and Service Channels in AIB. • Responsible for leading multiple activities in both Ireland and the UK including Payments, Treasury services, Financial Crime, SME Lending and the Customer Service Centre.
Leontia Fannin	Chief Sustainability and Corporate Affairs Officer	• 20 years' experience in Corporate Affairs, Reputation Management, Colleague Communications, Sponsorships, Corporate Social Responsibility and Sustainability. • Joined the Bank in 2018 as Head of Corporate Affairs and Communications and has led out on a number of the Bank's key strategic initiatives, including PTSB's Reputation Management, Sponsorship and Sustainability Programmes. • Appointed to the Bank's Executive Committee in August 2024 and is responsible for leading the Bank's Sustainability and Corporate Affairs Strategies. • The role of Chief Sustainability and Corporate Affairs Officer was created to reflect the Bank's commitment to sustainability as a key driver of its corporate strategy and the value it places on corporate affairs as enabler of internal and external stakeholder engagement.

Impact, risk and opportunity management

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Please see ESRS 2-IRO-1 for an outline of the process to identify material IROs in relation to Business Conduct matters.

G1-1 Business conduct policies and corporate culture

The Bank's Frameworks and Policies on Business Conduct are integral to operating our business in a responsible way and are aligned with our corporate culture and values. Relevant Frameworks and Policies include:

- Conduct Management Framework
- IAF Conduct Standards Policy
- SEAR Handbook
- PTSB Fitness and Probity Policy
- Colleague Conduct Policy
- Code of Ethics
- Speak Freely
- Human Rights associated Codes and Charters
- Conflict of Interest
- Financial Crime Compliance Framework
- Anti-Money Laundering/ Terrorist Financing Policy
- Anti-Bribery and Corruption Policy

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

PTSB is committed to, and actively involved in, improving culture across the banking industry as a member of the Irish Banking Culture Board (IBCB), since it was established in 2018. The purpose of the IBCB, which operates as an independent body that is chaired by Justice John Hedigan, is to work with member banks to build trustworthiness in the sector to develop a sustainable banking industry. The IBCB are focussed on promoting and measuring an environment of ethical behaviour, ensuring fair customer outcomes are achieved, and supporting employees of the Banks across the Irish Financial Services Sector. The Board includes representation from the three Irish Retail Banks.

Throughout 2024, we continued our contribution to, and support of, the IBCB and its programme of work, including:

- Playing an active role in IBCB workshops focussed on addressing key challenges across the sector;
- Participating in the IBCB's 'Proud to Work in Banking' Awards, which were established in 2024 to recognise staff across member banks whose behaviours align with the IBCB's values; and,
- Embedding the industry wide DECiDE (Ethical Decision Making) Framework as part of our Code of Ethics.

At PTSB, we describe our culture as the way we do things: We are Open. We are Inclusive. We build Trust. We are One PTSB.

Our cultural evolution is a strategic priority as it influences how people experience our Bank; what it's like for customers to engage with us, for our colleagues to work with us and for our communities to live with us.

Over the last number of years, we have been on a journey to improve the culture of our organisation. Progress includes:

- The development of the Our Culture Charter and 12 Culture Enablers, which ensure that all colleagues have a consistent understanding of our culture and the expectations of them. It sets out our purpose, values, ambition and brand promise, as well as the beliefs that guide colleague interactions to support the delivery of our ambition and the service of our customers. Our 12 Culture Enablers help to nurture and improve our culture;
- The creation of a psychologically safe environment through Speak Freely. Our goal is to evolve our culture to ensure that our colleagues feel psychologically safe and empowered to share their voice. As an organisation, we are striving to grow a Speak Freely environment where it is safe and acceptable to raise genuine concerns about practices, processes or behaviours that do not meet our standards or align with our purpose;
- The establishment of our People Experience Council (PEC). As a group of leaders within the organisation, across multiple levels and functions, PEC members are empowered and mandated by their ExCo member to work with teams in their area as they seek to drive and support positive cultural and behavioural change. The PEC members listen to colleague feedback, work to support the culture evolution in their function to address behavioural inconsistencies across the Bank, and to improve trust with our customers;
- The launch of the 'Our Customer Yes Checks', which are designed to improve decision-making by helping colleagues weigh up the impact and consider the consequences of decisions before they are made;
- As a key strategic pillar since 2017, our commitment to Diversity, Equity and Inclusion is evidenced through our Gold Accreditation for Investors in Diversity awarded by the Irish Centre for Diversity;
- The achievement of the IBEC KeepWell Accreditation, to support our Wellbeing Strategy and our commitment to colleague wellbeing; and
- To support colleagues in role-modelling our values through their behaviours, our Living as Leaders Programme, utilises a self-reflective roundtable table approach with our behaviour articles that can be found in the Bank's Living as Leaders booklet. Through completing the Programme colleagues become more self-aware of their own actions and behaviours.

Speak Freely

Our Speak Freely Procedure protects colleagues who wish to raise a concern or to make a protected disclosure, relating to actual or potential wrongdoing in the workplace, and ensures that they can do so without any fear of retribution or penalisation.

As part of our Speak Freely Procedure we have several different channels through which a concern can be raised.

To continue to deliver on our Speak Freely Strategy, in 2024 the Bank delivered several initiatives to further educate, track and highlight examples of speaking up, including:

- Celebrating its first Speak Freely Week, which saw significant engagement from colleagues across the business on the various initiatives taking place. The activities included launching new Speak Freely videos with our Board, Exco and colleagues from across the business and the provision of physical and digital Speak Freely materials (brochures, posters, pins etc.) to all locations. Training, information sessions and a guest speaker session were also held;
- Ensuring a stronger customer focus. This year saw a greater link with the customer and ensuring that colleagues are raising process improvements for customers through dedicated Customer Speak Freely Champions;
- Training People Managers and Speak Freely Champions on Speak Freely and protected disclosure procedures and colleague conduct;
- Delivering mandatory conduct training to all colleagues, which included further awareness and focus on Speak Freely;
- Embedding of the Irish Banking Culture Boards' DECiDE Framework on ethical decision making and the Bank's Culture Charter; and,
- Half yearly reporting on Speak Freely concerns to the Exco and Board.

The Bank has in place procedures to deal with any protected disclosures that may arise, including associated investigation practices. Where potential incidents arise in the investigation process, requirements are outlined within the Speak Freely Procedure and managed independently and objectively by Bank's People Experience Team. The Bank seeks to identify, thoroughly investigate, remediate and report any incidents of corruption and bribery in a prompt manner.

The Bank has in place additional Policy documents that help to encourage the right behavior, including Conflict of Interest, Anti-Money Laundering/Terrorist Financing, Sanctions and, Anti-Bribery and Corruption. For more information on policy contents please visit ESRS 2-MDR-P.

The requirement for high standards of Business Conduct is reinforced through annual training which is delivered to all colleagues annually. The training modules covered are outlined in the following tables:

Mandatory e-Learning

Mandatory E-Learning Course Title	Completion Rate[1] %	Audience[2]
Operational and IT Risk Awareness	100%	All
Operational Resilience	100%	All
Mortgages	100%	Cohort 1
Term Lending	100%	Cohort 1
Data Protection	100%	All
Savings and Investments	100%	Cohort 1
Transactional Banking	100%	Cohort 1
Security at PTSB	100%	All
Asset Finance	99%	Cohort 1
Business Banking	95%	Cohort 1
Fraud Awareness	99%	All
Bibby Invoice Finance	100%	Cohort 2
Anti-Money Laundering, Countering the Financing of Terrorism and Sanctions	97%	All
Code of Conduct on Mortgage Arrears	100%	Cohort 3
Advertising Compliantly	100%	Cohort 4
Customer Complaints	92%	All
Individual Accountability Framework	99%	All (except CF2 to CF11 colleagues)
IAF Common Conduct Standards	100%	CF2 to CF11 colleagues
Colleague Integrity and Ethics	89%	All
Diversity, Equity and Inclusion Awareness	89%	All
Conduct Risk – The Risk of Unfair Customer Outcomes	78%	All

Notes:
1 The completion rate can be over 100%; when course allocations are assigned at the beginning of the course and new joiners then are allocated this training as mandatory and complete it but were not present in the original assignment list.
2 PTSB's colleagues are classified into appropriate cohorts based on their roles and responsibilities within the organisation. Additionally, where relevant, the Bank's colleague roles are aligned to the 11 Controlled Functions (CF) as outlined by the Central Bank of Ireland.
3 The Institute of Bankers (IOB) is a professional network of over 32,900 members who work in banking and the international financial services sector. The IOB is a recognised college of University College Dublin and is a centre of excellence in the provision of specialist education to the financial services sector.

The above table outlines all mandatory online training. In addition, additional training to colleagues which is deemed relevant to their roles and responsibilities. This includes training provided in-house and using external training providers. This training is not currently centrally logged.

Additional Training Courses

Course Title	Completion Rate %	Audience
IAF Common Conduct Standards and Additional Conduct Standards	100	PCF & CF1 role holders

Board and ExCo Training

Training and Content	Completion Date	Training Session Briefing
• ECB Policy Statement • Digital Operational Resilience Act (DORA) Regulation • Cyber Security Awareness Training	Q1 2024	Training Session
• Digital Operational Resilience Act (DORA)	Q1 2024	Training Session
• IRB Capital Model Programme • Understanding Modelling Part I	Q2 2024	Training Session
• IRB Capital Model Programme • Update Part II	Q2 2024	Training Session
• IAF Conduct Standards • Annual Legal and Regulatory Update: Market Abuse Training and UK Corporate Governance Code.	Q3 2024	Training Session
• ICAAP/ILAAP: 'The implications of an effective ICAAP / ILAAP ('So What') to the Strategic Planning Process, Decision Making, Risk Management and Risk Appetite'.	Q4 2024	Integration with Board Strategy Day
• Anti-Money Laundering (AML) • Counter Terrorist Financing (CTF) • Anti-Bribery and Anti-Corruption	Q4 2024	Training Session
• Sustainability: Science Based Targets Briefing	Q4 2024	Training Session

As a Retail Bank, PTSB manages risk in respect of corruption and bribery where employees are processing loan applications, particularly those that may be deemed as high risk. This presents a risk to the Bank from a regulatory, reputational, credit and operational perspective. The Bank actively promotes a culture of integrity throughout our operations, providing regular training to mitigate any risks associated with corruption and bribery. You can read more about associated Compliance policies, actions, targets and metrics in G1-MDR1.

G1-2 Management of relationships with suppliers

Sustainable Sourcing and Procurement is at the heart of the Bank's Sustainability Strategy and ensuring that we purchase goods and services and engage with our suppliers in a sustainable way is fundamental to its delivery.

Our Procurement Policy sets out a Framework for engaging with our suppliers, including a commitment to procure goods and services from those who can support the needs of our business in a sustainable manner. The Framework is supported by our Sustainable Supplier Charter, which sets out our expectations of suppliers and acts as a 'Code of Conduct' detailing what is expected from all suppliers with regard to business practice and responsibilities as a supplier to PTSB.

We have categorised our Sustainable Supplier Charter into the following 7 core areas, in line with ISO20400 which outline our expectations of suppliers of PTSB. They include:

- Environmental;
- Human Rights;
- Operating Practices;
- Labour practices;
- Supply Chain;
- Social; and,
- Health, Safety and Wellbeing.

You can view the Bank's Sustainable Supplier Charter online.

In addition, we hold membership to the Financial Supplier Qualification System (FSQS), an online platform where suppliers submit their compliance data and information relating to their organisation, allowing us to have a consistent view of our suppliers and facilitating due diligence activities to ensure they meet our minimum standards.

Through our business practices and continuous supplier engagement, we seek to implement strategies and procurement practices that create mutually beneficial relationships. We set objectives and action plans that support sustainable procurement and look to continuously improve the impacts of our supply chain.

The Procurement team has participated in a number of sustainability-related training courses that have been delivered internally within the Bank and have also engaged in training activity that has been delivered by our third party procurement partners.

We do not utilise any business incentives throughout the sourcing or procurement journey and all onboarding activity is subject to evaluation, with bidder submissions being scored from a capability, commercial and environmental, social and governance (ESG) perspective.

We conduct assessments of potential suppliers through mandatory questions that are included in our tendering processes and through on-boarding to our FSQS (Hellios). The Bank's FSQS, is an external third party system that contains a number of questions related to ESG where suppliers provide specific compliance data and additional organisation information to facilitate due diligence activities. This initiative ensures that we have a consistent view of relevant suppliers and their adherence to the minimum standards that we require, allowing the us to manage supplier compliance. Questions relate to Sustainability policies and plans, energy and water consumption, employee training, modern slavery, business continuity, amongst others.

Completion of the FSQS Questionnaire is mandatory for all suppliers working with PTSB. The Bank encourages Suppliers and third parties to put in place their own Sustainable Procurement Framework in line with ISO20400 and be certified (or working towards certification) to ISO45001, the internationally recognised Occupational Health and Safety Management Standard.

The Bank prefers to work with suppliers within the European Economic Area (EEA), but at present, do not have an official Policy in place that sets out this expectation.

G1-3 Prevention and detection of corruption and bribery

Within its Risk Register, PTSB has identified that there is a Regulatory Risk and a Reputational Risk of failing to ensure adequate procedures against corruption and bribery. Business Units across the Bank are tasked with preventing and detecting incidents of corruption and bribery.

The Bank has a Financial Crime Compliance Framework designed to cover Anti-money Laundering/Counter Financing of Terrorism (AML/CFT), Sanctions and Anti-bribery and Corruption (ABC) risk management, with formal roles assigned to our Regulatory Compliance Team, as well as to all colleagues and contractors within the Bank. This Framework incorporates a dedicated ABC Policy which outlines how the Bank's various ethical processes and procedures operate to address corruption and bribery risk.

PTSB operates Three Lines of Defence Model against all risks, including corruption and bribery. Please refer to ESRS 2-GOV-1 for further details.

The Bank applies several processes to identify and reduce the potential corruption and bribery risk within its business. This includes previously mentioned Policies and Frameworks including, Financial Crime Compliance (including Anti-Money Laundering/ Terrorist Financing; Sanctions and Anti-Bribery and Corruption), the Individual Accountability Framework Conduct Standards Policy, SEAR Handbook, Colleague Conduct Policy, Code of Ethics, Conflict of Interest, and Speak Freely, aimed at supporting our teams to prevent, detect and address allegations or incidents of corruption and bribery. For more information on policy contents please visit ESRS 2-MDR-P.

Allegations or incidents of corruption and bribery are thoroughly investigated by the Bank.

This investigation may include those stakeholders with expertise from legal, compliance, and HR. While it is recommended that reporting be made to line management, where possible, the Bank also maintains reporting channels where this is not possible through the Speak Freely Procedure. This process outlines that reports can also be directly made to the Head of Financial Crime Compliance via dedicated channels.

This approach ensures appropriate segregation, should employees feel that this is required.
The Bank maintains mandatory reporting lines for all financial crime compliance matters. All anti-bribery and corruption events are assessed and escalated in the same manner as other risk issues and include supervisory engagement where appropriate.

The Bank would deem that 100% of functions would be at risk of corruption and bribery. The Bank actively promotes a culture of integrity throughout our operations, providing regular training to mitigate any risks associated with corruption and bribery. The training includes details that are relevant to the policies that are in place. Associated policies, actions, targets and metrics are outlined in G1-MDR1.

Metrics and Targets

G1-4 Incidents of corruption or bribery

Please refer to G1-MDR1 for actions and resources implemented to manage material IROs.

The Bank has not been convicted of any violations related to anti-corruption and anti-bribery laws during the reporting period. As such, there were no fines for violation of anti-corruption and anti-bribery law and no actions were required.

G1-5 Political influence and lobbying activities

PTSB is registered as a lobbyist and, as such in accordance with its obligations under the Regulation of Lobbying Act 2015 and the Lobbying Amendment Act 2023 (the 'Acts'), the Bank must publish material details of its lobbying activities with certain categories of Designated Public Officials (DPOs) on the 'Register of Lobbying' (the Register). The Register is publicly available on the Lobbying.ie website and is maintained by the Standards in Public Office Commission (SIPO).

PTSB has in place a Lobbying Policy which outlines the Bank's obligations regarding lobbying activities as related to the Acts. The Policy Sponsor is the Chief Sustainability and Corporate Affairs Officer, and the Policy Owner is the Senior Manager, Corporate Affairs and Communications.

The Directors have satisfied themselves that there were no financial or in-kind political contributions during the year, which require disclosure under the Electoral Act, 1997.

PTSB is not registered on the EU Transparency Register. However, as a publicly listed plc, PTSB Group Holdings (PTSBGH) is subject to disclosure and transparency requirements in Ireland and the EU which includes submission of information to the Companies Registration Office Ireland, Beneficial Owners Register, Stock Exchanges in Dublin and London, and associated Regulatory Authorities (competent authorities).

No members of the Bank's AMS body held a comparable position in public administration (including regulators) in the 2 years preceding such appointment in the current reporting period.

G1-6 – Payment practices

The Bank's Payment Policies are aligned to the Prompt Payment of Accounts Act, 1997 as amended by the Statutory Instrument 580 of 2012, which took effect on 16 March 2013 and transposes EU Directive 2011/7/EU on Combating Late Payment in Commercial Transactions. This provides for a payment period of 30 calendar days following the date of receipt of the invoice or an equivalent request for payment.

The Bank performed an analysis of its supplier payments which identified that of the 41 contracts that make up 70% of total spend on suppliers, 33 (80%) have a standard payment time of 30 days.

There are currently no identified legal proceedings in relation to outstanding late payments during the reporting period.

G1 Minimum Disclosure Requirements

As part of the development of the Bank's IROs, we identified similar themes emerging, and the MDRs have been consolidated under thematic headings. The three themes under which we disclosed our material Governance IROs are: G1-MDR1 Compliance; G1-MDR2 Managing Suppliers; and, G1-MDR3 Sponsorships and Community Partnerships.

G1-MDR-1 - Compliance

The IROs reflected in G1 MDR1 are outlined below.

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
I-6	Impact	The impact on society and the environment due to the financing of criminal activity.	A bank financing criminal activity has significant and far-reaching consequences on the bank and society through the financing of illegal and unethical organisations that may engage in criminal activity or environmental degradation.	Negative	Potential
R-4	Risk	Cyber Security Risk: The risk of unauthorised access, modification, malicious disruption or use of IT systems and data from within or outside the Bank (for example, cyber-attacks).	Elements of this risk have been mapped to the corporate culture and Business Conduct subtopics. These relate to failure to implement robust data protection and information management systems and employees not following procedures leading to non-compliance with regulatory requirements, reputational damage and financial loss.	n/a	n/a

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
R-5	Risk	Fraud Risk: The risk of losses or unplanned gains arising from acts intended to defraud, misappropriate property, circumvent regulations, the law or company Policy by either an internal party or external parties or a combination of both.	Elements of this risk have been mapped to the protection of whistleblowers and corruption and bribery subtopics. These relate to a failure to have adequate procedures against corruption and bribery as well as a lack of whistleblower protection, potentially resulting in reputational damage and issues with regulatory compliance.	n/a	n/a
R-7	Risk	People Risk: The risk of financial, operational or reputational damage to the Bank arising from failure of the Bank to meet its employment obligations and duty of care to staff or the failure to ensure adequate resources and or skills are in place, that succession planning is not effective or that the operation of the Bank may be impacted by labour disputes.	People Risk has been identified as a key risk by PTSB. Elements of this risk have been mapped to the Corporate Culture and Business Conduct subtopics. These relate to poor culture; inadequate remuneration harming workforce retention; lack of transparent work environment, reducing trust and communication; regulatory compliance including health and safety; human rights and protections against discrimination requirements; and lack of engagement with unions.	n/a	n/a
R-8	Risk	Process and Ability to Execute Risk: process and execution risk can significantly impact PTSB's operational risk, leading to higher loss risk, impacting operational resilience, customer dissatisfaction, a loss of trust and limits the ability to realise stated ambition (especially against the risk of optimistic bias in forecasting). Risk is linked with internal complexity, a high volume of change, increasing collaboration with third parties and outsourcing providers, people risk and transition speed. Making end to end processes more digitally straight forward is necessary to reduce complexity and embed / automate controls, and consistent customer service quality.	Elements of this risk have been mapped to the Corporate Culture and Business Conduct sub-topics. These relate to adequate resources; effective processes and controls; well managed IT systems to meet its wide range of demands including regulatory requirements; customer demands; failing to consider needs of the communities; operational risks; and, people management risks including third parties.	n/a	n/a
R-9	Risk	Regulatory Compliance Risk: The risk of material financial loss or liability, legal or regulatory sanctions, or brand damage arising from the failure to comply with or adequately plan for change to, official sector policy, laws, regulations, major industry standards, compliance policies and procedures or the expectations of customers and stakeholders.	Regulatory Compliance has been identified as a key risk by the Bank. Elements of this risk have been mapped to Protection of Whistleblowers/ Corruption and Bribery/Political Engagement sub-topics. These relate to ethics and conduct, political contributions, protection of whistleblowers, political contributions, data protection measures (for example, GDPR).	n/a	n/a

G1-MDR1-P Policies adopted to manage Compliance

The Frameworks and Policies that support PTSB in addressing the IROs under the theme of compliance are outlined below, with the exception of the policies relating to corporate conduct which have been discussed in G1-1-1. For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

The Bank has in place Frameworks and Policies to support PTSB in mitigating against the financing of criminal activity, ensuring effective Business Conduct and maintaining compliance including:

- Conduct Management Framework
- Colleague Conduct Policy
- Financial Crime Compliance (FCC) Framework
- Anti-Money Laundering/ Terrorist Financing Policy
- Anti-Bribery and Corruption Policy

Framework and Policies are applicable to all Business Units across the Bank. It applies to all persons who work directly for the Bank or who provide third party services to PTSB.

The following Stakeholders are affected:

- Members of the Board and its Committees, Management Committees and Risk Committees;
- All employees (as defined in S1 Own Workforce);
- Shareholders and Investors;
- Customers;
- Third party service providers;
- External stakeholders, including Regulators and Supervisors who require an overview of the regulatory compliance management principles, process, and governance arrangements; and,
- Owners of interlinked Frameworks and Policies who are responsible for aligning their Frameworks, Policies, and Procedures.

The Board is ultimately responsible for ensuring that PTSB has a Framework in place to prevent and detect money laundering/terrorist financing and that the Bank maintains an effective internal control structure for compliance and risk management. The Board delegates oversight of the Bank's Money Laundering/ Terrorist Financing, Sanctions and Bribery and Corruption risk management (FCC risk management) to the BRCC.

In line with the Board approved Internal Control Framework, responsibility for the review and onward recommendation of the Anti-money Laundering/Counter Financing of Terrorism-related policies underpinning the FCC Framework has been delegated to the GRC. The GRC is responsible for end-to-end execution, operation and testing of the Group's Internal Control Framework and embedding internal controls to mitigate identified risks.

The ExCo is the Senior Management Executive Committee of the Bank as outlined in G1-GOV-1.

PTSB is regulated and supervised by the Central Bank of Ireland (CBI).

The Bank complies with relevant legal requirements and CBI regulation, including:

- The Criminal Justice (Money Laundering and Terrorist Financing) 2010 (as Amended);
- Criminal Justice (Corruption Offences) Act 2018;
- Corporate Governance Requirements for Credit Institutions 2015;
- UK Corporate Governance Code;
- Relationship Framework with Irish State;
- The Consumer Protection Code (CPC);
- Individual Accountability Framework (IAF) Requirements;
- Senior Executive Accountability Regime (SEAR);
- Common Conduct Standards and Additional Conduct Standards; and,
- Fitness & Probity (F&P) Regime.

The Bank has in place Frameworks and Policies to support PTSB in mitigating against data breaches including:

- Data Protection Policy
- Regulatory Compliance Framework
- Information Security Policy

The Board delegates oversight of data protection to the Data Protection Officer.

G1-MDR1-A Actions and resources in relation to Compliance

An assessment of the specific Money Laundering/Terrorist Financing and Sanctions Risk faced by the Bank is undertaken annually, and a review of the Bribery and Corruption Risk relevant to the Bank's business is also completed on a periodic basis.

Financial Crime Compliance training, which covers Money Laundering/ Terrorist Financing, Sanctions and Bribery and Corruption Risk, is provided to all employees each year, with tailored training provided to the Board and members of the ExCo.

PTSB is committed to managing and mitigating the financial crime compliance risk associated with its business activities and complying with all applicable Money Laundering/Terrorist Financing, Sanctions and Bribery and Corruption laws and regulations in the jurisdictions in which it operates. In order to mitigate against any Financial Crime Compliance-related risk that may occur, the Bank has comprehensive due diligence procedures in place, which include requesting documents such as proof of identity and proof of address at account opening and at intervals, thereafter, conducting enhanced due diligence reviews and undertaking Politically Exposed Persons (PEPs) and Sanctions screening in accordance with our Policies.

To meet its obligations, PTSB implements relevant Anti-money Laundering/Counter Financing of Terrorism and Anti-bribery and Corruption and maintains robust oversight measures, with all elements of the Framework operating as intended throughout 2024.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of compliance activity. PTSB has not disclosed these figures publicly.

In today's digital era, data protection threat continues to evolve and as such, protecting and safeguarding our customers' and our colleagues' personal data remains one of our key priorities.

Our day-to-day business activities require the processing of personal data. While

Data Protection is a fundamental right under the EU Charter of Fundamental Rights, protected by both European and Irish legislation of which the Bank complies, PTSB has its own Data Protection Policy in place which sets out our approach. Complying with the requirements and principles of the Policy is a condition of employment for our colleagues.

The Bank has in place procedures to deal with data security breaches and reports regularly to the Executive Committee and Board. Ensuring data protection is considered as part of change programmes, raising awareness and providing ongoing education and training to our people are critical ways in which we mitigate against data protection risk.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of data protection activity. PTSB has not disclosed these figures publicly.

G1-MDR1-M Metrics in relation to Compliance

The following metrics are utilised to evaluate the performance and effectiveness of the Bank's actions towards the prevention of the financing of criminal activity, ensuring data protection, and enhancing the corporate culture ensuring effective Business Conduct and maintaining compliance:

- All colleagues engage in compulsory Anti-Money Laundering, Countering the Financing of Terrorism, and Sanctions training each year. In 2024, c.97% of colleagues completed the training with an 80% pass rate requirement.
- All colleagues engage in compulsory Data Protection training each year. In 2024, c.100% of colleagues completed the training with an 80% pass rate requirement.
- 76% Culture Index Score during 2024. The Bank measures its Culture Index Score through its annual Every Voice Counts Survey. It is calculated from 20 specific questions with themes such as Personal responsibility for Risk, Feeling of Belonging and Managers and Leadership behaviours.

There are no methodologies or assumptions in deriving the above metrics. The metrics are validated by the Bank's assurance provider.

In addition, the Bank monitors the usage of our Speak Freely Procedure and include this in our Key Risk Indicator reporting, which particularly focuses on a key indicator of trust – that colleagues feel confident to raise concerns in a confidential manner which is measured through our EVC and Micro-pulse Surveys.

G1-MDR1-T Tracking effectiveness of policies and actions through targets

The following targets are utilised to assess progress of the Bank's actions towards the prevention of financing of criminal activity, ensuring data protection, and enhancing the corporate culture ensuring effective Business Conduct and maintaining compliance:

- The Bank's target is that 100% of colleagues will complete Anti-Money Laundering, Countering the Financing of Terrorism, and Sanctions training each year.
- The Bank's target is that 100% of colleagues will complete Data Protection training each year.
- 70% Culture Index Score Target.

G1-MDR2 Managing Suppliers

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
I-7	Impact	The impact on society and the environment by ensuring suppliers are appropriately managed.	In its analysis, PTSB considered impacts on society and the environment related to supplier management including supplier due diligence and screening. These sustainable procurement efforts have been considered collectively as they are all linked to ensuring suppliers are appropriately managed.	Positive	Both

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
R-6	Risk	Outsourcing and Third-Party Risk: The risk of current or prospective loss or reputational damage connected with the engagement and management of third parties contracted internally or externally (for example, for the purposes of customer engagement, data processing, systems development, cloud services or information and Communication (ICT) systems), including lack of third party diversification, inadequate business continuity plans or insufficient monitoring and oversight of the engagement.	Elements of this risk have been mapped to the managing supplier relationships subtopic. These relate to the impact of inadequate due diligence, supply chain dependency, poor management and payment practices, and poor data management.	n/a	n/a
R-11	Risk	Service Availability Risk: The risk that the performance and availability of IT systems and data are adversely impacted (for example, customer experience or business processes), including the inability to recover the Bank's services in a timely manner, due to a failure or IT hardware or software components; weaknesses in IT system management; or any other event.	Elements of this risk have been mapped to Managing Supplier Relationships subtopic. These relate to poor management of third parties, including payment practices, as potentially contributing to the Service Availability Risk associated with IT hardware, software and system management.	n/a	n/a

G1-MDR2-P Policies adopted to manage Managing Suppliers

The Bank has in place Frameworks and Policies to ensure our suppliers are appropriately managed and to mitigate the risk associated with outsourcing and use of third parties, including:

- Third Party Management Framework
- Third Party Risk Management Policy
- Third Party Outsourcing Strategy
- Supplier Relationship Standards
- Sourcing and Procurement Policy
- Sustainable Supplier Charter
- Supplier Contracts
- Stakeholder Engagement Policy

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

The following stakeholders are affected:

- Members of the Board and its Committees, Management Committees and Risk Committees;
- All employees (as defined in S1 Own Workforce);
- Shareholders and Investors
- Customers;
- Third party service providers;
- External stakeholders, including Regulators and Supervisors who require an overview of the regulatory compliance management principles, process, and governance arrangements; and,
- Owners of interlinked Frameworks and Policies who are responsible for aligning their Frameworks, Policies, and Procedures.

The Board is collectively responsible for the governance of the Bank and has delegated responsibility for supplier management to the following committees.

Operational Risk Management Committee (ORMC)

The ORMC is a sub-committee of the Group Risk Committee (GRC) established with delegated authority to operate and make decisions in accordance with the Terms of Reference approved by the Bank's Group Risk Committee. The ORMC also monitors the oversight of new or amended Third Party/Outsourcing relationships, new products, and/or significant changes to existing products and strategic change that is implemented across the Bank, highlighting any risks where required.

Third Party Management Committee (TPMC)

The Bank's TPMC is the governance body accountable for formalising the Third Party Management arrangements with Third Party service providers. Their role is to approve on-boarding of new Third Parties over a certain risk threshold, oversee the performance of existing service providers, monitor Third Party breaches, escalations and remediation plans, and review material changes to existing Third Party arrangements.

The Bank demonstrates a strong commitment to transparency and accountability by actively respecting a range of Third Party standards and initiatives through its Policies, Standards and Charters. For more information regarding the Bank's Sustainable Supplier Charter and its use of a FSQS for supplier due diligence, please refer to G1-2.

G1-MDR2-A Actions and resources in relation to Managing Suppliers

The Bank is focused on working alongside its suppliers to find opportunities to procure goods in a sustainable way. Key progress during 2024 includes:

- Continuing to engage with all suppliers through the expectations that we set out in the Bank's Sustainable Supplier Charter;
- Including consideration for ESG within our tendering processes through the implementation of dedicated ESG questions that are part of supplier onboarding;
- Working alongside our procurement partners, to continue to develop the Carbon Cube; which takes spend data and combines it with a category-specific emission factor in order to calculate supplier emissions in line with the Greenhouse Gas (GHG) Protocol methodology;
- Provision of a quarterly ESG dashboard to the Chief Financial Officer and Senior Management team within Group Finance;
- Working with EcoVadis, a third party sustainability rating company, regarding procurement and supplier management best practice; and,
- Delivering sustainable procurement training to the Bank's Sourcing and Procurement Team.

During 2024, the Bank introduced a Third Party Management Programme, with the objective of providing a clear and consistent approach to managing Third Party providers through a redesign of the Bank's Third Party Framework. The approach was focused on driving value and empowering the organisation, while minimising any potential adverse outcomes for our customers, key stakeholders or the Bank. A key part of this Programme was the introduction of a centralised Third Party Management Team to support delivery of third party management across the Bank.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of managing suppliers. PTSB has not disclosed these figures publicly.

G1-MDR2-M Metrics in relation to Managing Suppliers

The following metrics are utilised to evaluate the performance and effectiveness of the Bank's actions towards ensuring that suppliers are appropriately managed and to mitigate risks associated with outsourcing and use of Third Parties:

- Service Level Agreements and Key Performance Indicators (relevant to each supplier relationship) form part of outsourced and Third Party Contracts; and,
- Balanced scorecards are completed each month by business owners evaluating the performance of Third Parties.
- A dedicated Third Party Management Committee sits monthly to review Third Party performance.

There has been no formal methodology employed when designing the Bank's supplier management governance metrics. There are no significant assumptions behind the metric. Supplier Management metrics are not validated by an external body other than the assurance provider. These metrics are set and monitored internally by the Bank.

G1-MDR2-T Tracking effectiveness of policies and actions through targets

At present, the Bank does not have any targets assigned to evaluate performance and effectiveness in relation to Managing Suppliers in the context of Governance.

G1-MDR 3 Sponsorships and Community Partners

The IROs reflected in G1-MDR3 are outlined below.

IRO-Ref	IRO	Description	Details	Positive or Negative	Potential or Actual
I-8	Impact	The impact PTSB has on society and local communities through engaging in community partnerships, providing charitable donations and delivering the Bank's sponsorship rights activity.	PTSB recognises it's potential for community impact by providing financial support to community organisations through the PTSB Community Fund, building strong community partnerships, engaging in employee volunteering initiatives and delivering on the Bank's sponsorship rights commitments.	Positive	Both

G1-MDR3-P Policies adopted to manage Sponsorships and Community Partners

The Bank has Frameworks and Policies in place that help to ensure that our community and sponsorship activity is appropriately assessed and managed. The application of these Frameworks and Policies is monitored by their respective Framework and Policy owners. Please see below:

- Code of Ethics
- Speak Freely
- Conflict of Interest
- Third Party Management Framework
- Third Party Risk Management Policy
- Third Party Outsourcing Strategy
- Supplier Relationship Standards
- Sourcing and Procurement Policy
- Sustainable Supplier Charter
- Supplier Contracts
- Stakeholder Engagement Policy
- Community Policy
- Community Fund Constitution
- Employee Volunteering Policy
- Financial Crime Compliance Framework

For more information on policy contents and objectives, as well as the most senior level role in PTSB accountable for the implementation, please refer to ESRS 2-MDR-P.

These Frameworks and Policies apply to all the Bank's community engagement activity, including Community Fund activity, Employee Volunteering and Sponsorship initiatives. The following Stakeholders have been considered in their development and are affected:

- Members of the Board and its Committees, Management Committees and Risk Committees;
- All employees (as defined in S1 Own Workforce);
- Customers;
- Sponsorship Rights Holders;
- Community Partners;
- External stakeholders who require an overview of community and sponsorship compliance management principles, process, and governance arrangements; and,
- Owners of interlinked Frameworks and Policies who are responsible for aligning their Frameworks, Policies, and Procedures.

The Board is collectively responsible for the governance of the Bank and has delegated responsibility for Community Partnerships and Sponsorships to the following committees.

Executive Committee (ExCo)

The Executive Committee (ExCo) is the Senior Management Executive Committee of the Bank. It is chaired by the CEO and has a primary role in providing assurance to the Board of Directors and its Committees on the financial performance and integrity of the Bank's businesses, that the systems of internal control, internal audit, financial reporting and IT operate effectively, that process/systems are in place to ensure all risks have been correctly identified, that appropriate controls are in place, and escalating matters to the Board and its Committees, where appropriate.

Sustainability Committee (SusCo)

The Bank's Sustainability Committee acts on delegated authority from the ExCo to provide oversight on execution of the Bank's Sustainability Strategy, including a focus on community engagement under the 'Elevating our Social Impact and Connecting with Local Communities' pillar.

Chief Sustainability and Corporate Affairs Officer (CSCAO)

The CSCAO is responsible for leading the development and implementation of the Bank's Sustainability Strategy in line with regulation and supervisory expectation, while ensuring all activity is aligned with the Bank's overarching Business Strategy and purpose. The CSCAO chairs the Bank's Sustainability Committee and is supported by a Head of Sustainability and associated team who oversee the implementation of the Bank's community activity.

For more on Governance, please refer to ESRS 2-GOV-1.

As a regulated financial institution, the Bank abides by the following:

- The Individual Accountability Framework (IAF),
- Central Bank of Ireland (CBI) Consumer Protection Act;
- Advertising Standards Authority of Ireland (ASAI) Code; and,
- Broadcasting Authority of Ireland (BAI) General Commercial Communications Code (GCC).

G1-MDR3-A Actions and resources in relation to Sponsorships and Community Partners

In 2024, PTSB continued to deepen its community impact by providing financial support to community organisations through the PTSB Community Fund, building strong community partnerships, engaging in employee volunteering initiatives and delivering on the Bank's sponsorship rights commitments. Key highlights include:

- €19.4 million in social finance has been made available to the SFF since 2009;
- Providing €360,000 in funding during 2024 through the work of the PTSB Community Fund. Since its establishment, the Community Fund has contributed c.€2.1 million in funding to Irish community organisations working to address social issues across the country;

- Working alongside Community Partners like LIFT Ireland, introducing a 'Minding My Future' Module into their school roundtable programme focused on developing leadership capability across the key themes of Sustainability and Financial Wellbeing. 'Minding my Future' is new to LIFT Ireland's programme and is proudly supported by PTSB;
- A partnership with Dublin City University Access Scholarship Programme and Access to the Workplace Programme, to support those from socioeconomically disadvantaged backgrounds;
- Announcing our new 3-year partnership with AsIAm, Ireland's Autism Charity, that will enable the charity to further support autistic customers and families and to promote and drive greater inclusivity in Irish society. The Bank has also become the first financial institution in Ireland to be accredited with Autism-Friendly branches in key locations across the country;
- Encouraging employee volunteering with registered charities across Ireland through the PTSB Volunteering Programme. More than 2,000 volunteering hours were provided on the ground last year, equating to c.€67,000 of in-kind giving; and,
- Delivering on our sponsorship portfolio commitments, including the Bank's Title Sponsorship of the Irish Olympic Team and Irish Paralympic Team for the 2024 Olympic Games in Paris.

All activity took place in the Republic of Ireland, except for the activation of our Title Sponsorship of Team Ireland which took place in Ireland and in Paris, France. The time horizon is January-December 2024.

As part of the development of the Bank's Integrated Strategic Plan, financial investment and resources are allocated to the delivery of community and sponsorship activity. The budget allocated considers resourcing that needs to be in place to deliver on activity, as well as the associated community programme and sponsorship rights and activation fees that are required as part of the contractual rights. PTSB has not disclosed these figures publicly.

G1-MDR3-M Metrics in relation to Sponsorships and Community Partners

The following metrics are utilised to evaluate the performance:

- Total contributions through the PTSB Community Fund, including the Bank's matched funding;
- Number of hours contributed through employee volunteering;
- In-kind giving figures associated with Employee Volunteering Programme hours;
- Sponsorship Awareness figures;
- Sponsorship Consideration figures;
- Sponsorship Goodwill figures;
- PR and Earned Media Value; and,
- Social Media Performance where a paid for social media campaign is part of the Activation Strategy.

Methodologies used have been introduced in line with industry best practice and have been developed internally by the Bank through engagement with internal stakeholders. No significant assumptions exist behind the metrics.

Community metrics are not validated by an external body other than the assurance provider. These metrics are set and monitored internally by the Bank.

Sponsorship metrics are validated by the Bank's Third Party brand measurement and media buying agencies, who monitor performance of KPIs and produce regular performance reports in order to keep the Bank updated on progress against objectives.

G1-MDR3-T Tracking effectiveness of policies and actions through targets

PTSB is committed to managing the material impact associated with our community and sponsorship activity in a proactive and measurable way. The following targets have been established in this regard:

- €200,000 in financial giving through the PTSB Community Fund per year, which includes matched funding by the Bank;
- 1,000 volunteer hours on the ground in local communities through the Employee Volunteering Programme per year; and,

The Bank observed no compliance breaches in relation to sponsorship or community initiatives during 2024. All activity took place in the Republic of Ireland, except for the activation of our Title Sponsorship of Team Ireland which took place in Ireland and in Paris, France. The targets are set annually and as such, the baseline year is January-December 2024. The starting value is 0. There are no interim targets. There are no defined methodologies in place or significant assumptions used when defining the Bank's targets. External stakeholders have not been involved in the target setting. All targets have been set internally within the Bank by the respective teams responsible for delivering on activity.

Progress against targets is monitored on a quarterly basis and reported upwards to the Bank's Sustainability Committee, ExCo and Board, as appropriate.

Appendix A - List of datapoints in cross-cutting and topical standards that derive from other EU Legislation

Disclosure Requirement and related datapoint	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page Number
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)		Commission Delegated Regulation (EU) 2020/1816 (27) , Annex II		144
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)		Delegated Regulation (EU) 2020/1816, Annex II		144
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Pillar 3 Template 3 (Not disclosed Mid-Year)	Delegated Regulation (EU) 2020/1816, Annex II		150
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii		Delegated Regulation (EU) 2020/1816, Annex II		150
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		150
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		150
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14			Regulation (EU) 2021/1119, Article 2(1)	174
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Pillar 3 Template 1	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		174
ESRS E1-4 GHG emission reduction targets paragraph 34	Pillar 3 Template 3 (target validation in progress)	Delegated Regulation (EU) 2020/1818, Article 6		180
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38				184
ESRS E1-5 Energy consumption and mix paragraph 37				183

Disclosure Requirement and related datapoint	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page Number
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43				184
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Pillar 3 Template 1	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		181
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Pillar 3 Template 1	Delegated Regulation (EU) 2020/1818, Article 8(1)		186
ESRS E1-7 GHG removals and carbon credits paragraph 56			Regulation (EU) 2021/1119, Article 2(1)	186
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66		Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		-
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	Pillar 3 Template 5			-
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	Pillar 3 Template 2			-
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69		Delegated Regulation (EU) 2020/1818, Annex II		-
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28				Not material
ESRS E3-1 Water and marine resources paragraph 9				Not material
ESRS E3-1 Dedicated policy paragraph 13				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14				Not material

Disclosure Requirement and related datapoint	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page Number
ESRS E3-4 Total water recycled and reused paragraph 28 (c)				Not material
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (a) i				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (b)				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (c)				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39				Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)				199
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)				199
ESRS S1-1 Human rights policy commitments paragraph 20				199
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		Delegated Regulation (EU) 2020/1816, Annex II		199
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22				199

Disclosure Requirement and related datapoint	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page Number
SRS S1-1 workplace accident prevention policy or management system paragraph 23				204
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)				201
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)		Delegated Regulation (EU) 2020/1816, Annex II		203
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)				203
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)		Delegated Regulation (EU) 2020/1816, Annex II		204
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)				204
ESRS S1-17 Incidents of discrimination paragraph 103 (a)				204
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		204
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)				Not material
ESRS S2-1 Human rights policy commitments paragraph 17				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18				Not material
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material

Disclosure Requirement and related datapoint	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page Number
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36				Not material
ESRS S3-1 Human rights policy commitments paragraph 16				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16				159
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		210
ESRS S4-4 Human rights issues and incidents paragraph 35				210
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)				227
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)				221
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)		Delegated Regulation (EU) 2020/1816, Annex II)		225
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)				227

Annex VI - Template for the KPIs of credit institutions

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

This template requires credit institutions to disclose relevant KPIs on the basis of the scope of their prudential consolidation determined in accordance with regulation (EU) No 575/2013, Title II, Chapter 2, Section 2.

In accordance with the Disclosure Delegated Act, PTSB is required to calculate the green asset ratio (GAR) for on-balance sheet exposures covering the following accounting categories of financial assets, including loans and advances, debt securities, equity holdings and repossessed collaterals:
(a) financial assets at amortised cost;
(b) financial assets at fair value through other comprehensive income;
(c) investments in subsidiaries;
(d) joint ventures and associates;
(e) financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss; and
(f) real estate collaterals obtained by credit institutions by taking possession in exchange for the cancellation of debts.

The following assets shall be excluded from the numerator of the GAR:
(a) financial assets held for trading;
(b) on-demand interbank loans; and
(c) exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU.

PTSB is required to calculate the KPIs for off-balance sheet exposures considering financial guarantees granted by the credit institution and assets under management for guarantee and investee non-financial undertakings. Other off-balance sheet exposures such as commitments are be excluded from that calculation.

For details on the Bank's approach to determining taxonomy alignment, and calculation of these summary KPIs, please see notes in Template 1.

2024

		Total environmentally sustainable assets	KPI**	KPI***	% coverage (over total assets)*	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	1854	7.98%	7.98%	6.32%	6.45%	20.82%

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	360	14.80%	14.80%	9.61%	7.48%	35.07%
	Trading book	-	-	-			
	Financial guarantees	-	-	-			
	Assets under management	-	-	-			
	Fees and commissions income	-	-	-			

* % of assets covered by the KPI over banks´ total assets
** based on the Turnover KPI of the counterparty
*** based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

2023

		Total environmentally sustainable assets	KPI**	KPI***	% coverage (over total assets)*	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	475	2.03%	2.03%	1.68%	6.51%	17.45%

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	110	2.82%	2.82%	2.32%	8.44%	17.49%
	Trading book	-	-	-			
	Financial guarantees	-	-	-			
	Assets under management	-	-	-			
	Fees and commissions income	-	-	-			

* % of assets covered by the KPI over banks´ total assets
** based on the Turnover KPI of the counterparty
*** based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Annex VI - Template for the KPIs of credit institutions
(continued)

1. Assets for the calculation of GAR

Template 1 discloses the Bank's assets used in the calculation of the Green Asset Ratio (GAR). Exposures are reported for 31st December 2024. EU Taxonomy balances are presented gross of ECL and deferred fess, discounts and business combination related fair value adjustments,

For this disclosure, given the residential mortgage book represents the bank's most significant portion of on-balance sheet exposures in terms of value, we have prioritised analysis of alignment with the EU Taxonomy within households, secured against residential immovable property.

The criteria to determine alignment for residential mortgage loans to households vary based on the year of construction, and alignment is determined based on EPC rating criteria, and exposure to physical risk.

Taxonomy aligned properties built before 31st December 2020, must have an EPC rating in the top 15% of the national or regional building stock. To identify the top 15% of most energy efficient buildings of the national or regional building stock, as per the EU Taxonomy and associated technical screening criteria, we used analysing energy ratings data from the Central Statistics Office (CSO) representing approximately 63.5% of Ireland's housing stock. Based on this weighted national dataset, the Bank estimated the top

2024 Turnover Based

			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	Million EUR	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21,319.99	19,996.73	1,853.58	1,853.58	-	-	-	-	-	-	-	-	-	-
2	Financial undertakings	293.64	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	291.19	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	181.74	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	109.45	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
7	Other financial corporations	2.45	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	0	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	0	-	-		-	-	-	-		-	-	-		-
24	**Households**	21,026.35	19,996.73	1,853.58	1,853.58	-	-	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	20,298.61	19,996.73	1,853.58	1,853.58	-	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-

15% threshold corresponded to a BER rating of B3 or higher. The Group has adopted this B3 threshold to identify the properties with a valid EPC certificate within the residential mortgage portfolio that meet this technical screening criteria.

Taxonomy aligned properties built after 31st December 2020, must have an EPC rating and be at least 10 % lower than the threshold set for the nearly zero-energy building (NZEB) requirements in national measures implementing Directive 2010/31/EU of the European Parliament and of the Council. The Bank has developed a robust, transparent methodology to assess the extent of alignment between post-2020 building assets and construction standards stipulated under the Climate Change Mitigation objective under EU Taxonomy.

In addition to energy efficient criteria, exposure to physical risk must also be considered. Only those properties assessed as not vulnerable to physical risk are reported.

Data availability and quality constraints mean the assessment of alignment with EU Taxonomy has not been possible at this time for all required exposure classes specified by Article 8 Disclosures Delegated Act within Template 1 of Annex VI of same. Initiatives are underway to enhance the Group's data collection capabilities going forward, with a view to enhancing the ability to determine taxonomy alignment.

Disclosure reference date T																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-	-	-	-	19,996.73	1,853.58	1,853.58	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-	19,996.73	1,853.58	1,853.58	-	-
-	-	-	-	-	-	-	-	-	-	-	-	19,996.73	1,853.58	1,853.58	-	-
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Annex VI - Template for the KPIs of credit institutions
(continued)

			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	Million EUR	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	7.32	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1,891.71	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**	796.29													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	786.58													
35	Loans and advances	786.58													
36	of which loans collateralised by commercial immovable property	-													
37	of which building renovation loans	-													
38	Debt securities	-													
39	Equity instruments	-													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	9.71													
41	Loans and advances	0.28													
42	Debt securities														
43	Equity instruments	9.43													
44	**Derivatives**	58.52													
45	**On demand interbank loans**	132.91													
46	**Cash and cash-related assets**	72.07													
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	831.93													
48	**Total GAR assets**	23,219.02	19,996.73	1,853.58	1,853.58	-	-								
49	**Assets not covered for GAR calculation**	6,105.36													
50	**Central governments and Supranational issuers**	4,217.80													
51	**Central banks' exposure**	1,887.23													
52	**Trading book**	0.33													
53	**Total assets**	29,324.39	-	-	-	-	-	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	1.53	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-										

Disclosure reference date T																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)							
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
											19,996.73	1,853.58	1,853.58		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Annex VI - Template for the KPIs of credit institutions
(continued)

2023 Turnover Based

			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
	Million EUR	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21,537.72	19,322,.96	474.75	474.75	-	-	-	-	-	-	-	-	-	-
2	Financial undertakings	219.25	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	217.20	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	217.20	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
7	Other financial corporations	2.06	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	21,307.44	19,322.96	474.75	474.75	-	-	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	20,608.21	19,322.96	474.75	474.75	-	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	11.03	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	1844.44	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	692.06													

Disclosure reference date T-1																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-	-	-	-	19,322.96	474.75	474.75	-	-
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-	-	-	-	-	-	-	-	-	-	-	-	19,322.96	474.75	474.75	-	-
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Annex VI - Template for the KPIs of credit institutions
(continued)

	Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	687.02													
35	Loans and advances	687.02													
36	of which loans collateralised by commercial immovable property	-													
37	of which building renovation loans	-													
38	Debt securities	-													
39	Equity instruments	-													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	5.04													
41	Loans and advances	-													
42	Debt securities	-													
43	Equity instruments	5.04													
44	Derivatives	35.65													
45	On demand interbank loans	146.12													
46	Cash and cash-related assets	71.14													
47	Other categories of assets (e.g. Goodwill, commodities etc.)	899.48													
48	Total GAR assets	23,382.17	19,322.96	474.75	474.75	-	-	-	-	-	-	-	-	-	-
49	Assets not covered for GAR calculation	4,943.54													
50	Central governments and Supranational issuers	3,256.30													
51	Central banks' exposure	1,687.24													
52	Trading book	-													
53	Total assets	28,325.71	-	-	-	-	-	-	-	-	-	-	-	-	-
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54	Financial guarantees	1.53	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments														

Disclosure reference date T-1																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-	-	-	-	19,322.96	474.75	474.75	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Annex VI - Template for the KPIs of credit institutions
(continued)

2024 CapEx Based

	Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21,319.99	19,996.73	1,853.58	1,853.58	-	-	-	-	-	-	-	-	-	-
2	Financial undertakings	293.64	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	291.19	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	181.74	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	109.45	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
7	Other financial corporations	2.45	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	0	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	0	-	-		-	-	-	-		-	-	-		-
24	**Households**	21,026.35	19,996.73	1,853.58	1,853.58	-	-	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	20,298.61	19,996.73	1,853.58	1,853.58	-	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	7.32	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	1,891.71	-	-	-	-	-	-	-	-	-	-	-	-	-
33	**Financial and Non-financial undertakings**	796.29													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	786.58													
35	Loans and advances	786.58													
36	of which loans collateralised by commercial immovable property	-													
37	of which building renovation loans	-													

Disclosure reference date T																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-	-	-	-	19,996.73	1,853.58	1,853.58	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-	19,996.73	1,853.58	1,853.58	-	-
-	-	-	-	-	-	-	-	-	-	-	-	19,996.73	1,853.58	1,853.58	-	-
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Annex VI - Template for the KPIs of credit institutions
(continued)

Million EUR	Total [gross] carrying amount	Climate Change Mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CCM: Of which environmentally sustainable (Taxonomy-aligned)	CCM: Of which Use of Proceeds	CCM: Of which transitional	CCM: Of which enabling	Climate Change Adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CCA: Of which environmentally sustainable (Taxonomy-aligned)	CCA: Of which Use of Proceeds	CCA: Of which enabling	Water and marine resources (WTR): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	WTR: Of which environmentally sustainable (Taxonomy-aligned)	WTR: Of which Use of Proceeds	WTR: Of which enabling
38 Debt securities	-													
39 Equity instruments	-													
40 Non-EU country counterparties not subject to NFRD disclosure obligations	9.71													
41 Loans and advances	0.28													
42 Debt securities														
43 Equity instruments	9.43													
44 **Derivatives**	58.52													
45 **On demand interbank loans**	132.91													
46 **Cash and cash-related assets**	72.07													
47 **Other categories of assets (e.g. Goodwill, commodities etc.)**	831.93													
48 **Total GAR assets**	23,219.02	19,996.73	1,853.58	1,853.58	-	-								
49 **Assets not covered for GAR calculation**	6,105.36													
50 **Central governments and Supranational issuers**	4,217.80													
51 **Central banks' exposure**	1,887.23													
52 **Trading book**	0.33													
53 **Total assets**	29,324.39	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations														
54 Financial guarantees	1.53	-	-	-	-	-	-	-	-	-	-	-	-	-
55 Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56 Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57 Of which equity instruments	-	-	-	-										

Disclosure reference date T																	
	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)								
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
													19,996.73	1,853.58	1,853.58		
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Annex VI - Template for the KPIs of credit institutions
(continued)

2023 CapEx Based

Million EUR		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21,537.72	19,322,.96	474.75	474.75	-	-	-	-	-	-	-	-	-	-
2	Financial undertakings	219.25	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	217.20	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	217.20	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-		-	-	-	-		-	-	-		-
7	Other financial corporations	2.06	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Households	21,307.44	19,322.96	474.75	474.75	-	-	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	20,608.21	19,322.96	474.75	474.75	-	-	-	-	-	-	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	11.03	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	1844.44	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Financial and Non-financial undertakings	692.06													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	687.02													
35	Loans and advances	687.02													
36	of which loans collateralised by commercial immovable property	-													
37	of which building renovation loans	-													

Disclosure reference date T-1																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-	-	-	-	19,322.96	474.75	474.75	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	19,322.96	474.75	474.75	-	-
-	-	-	-	-	-	-	-	-	-	-	-	19,322.96	474.75	474.75	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Annex VI - Template for the KPIs of credit institutions
(continued)

Million EUR			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
38	Debt securities	-													
39	Equity instruments	-													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	5.04													
41	Loans and advances	-													
42	Debt securities	-													
43	Equity instruments	5.04													
44	Derivatives	35.65													
45	On demand interbank loans	146.12													
46	Cash and cash-related assets	71.14													
47	Other categories of assets (e.g. Goodwill, commodities etc.)	899.48													
48	Total GAR assets	23,382.17	19,322.96	474.75	474.75	-	-	-	-	-	-	-	-	-	-
49	Assets not covered for GAR calculation	4,943.54													
50	Central governments and Supranational issuers	3,256.30													
51	Central banks' exposure	1,687.24													
52	Trading book	-													
53	Total assets	28,325.71	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations															
54	Financial guarantees	1.53	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Assets under management	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments														

Disclosure reference date T-1																
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-	-	-	-	19,322.96	474.75	474.75	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Annex VI - Template for the KPIs of credit institutions
(continued)

2. GAR sector information

The purpose of this template is to provide information on exposures in the banking book toward those sectors (NFCs subject to NFRD) covered by the Taxonomy (NACE sector 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty.

For the 31st December 2024 disclosure, bank reviewed the book for exposure to NFC's subject to NFRD. Nil return for both Turnover and CapEx in this instance.

This assessment resulted in a nil return.

	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
1	-	-			-	-			-	-		
2	-	-			-	-			-	-		
3	-	-			-	-			-	-		
4	-	-			-	-			-	-		
...	-	-			-	-			-	-		

Nil return for 2023.

	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Breakdown by sector - NACE 4 digits level (code and label)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (WTR)	Mn EUR	Of which environmentally sustainable (WTR)
1	-	-			-	-			-	-		
2	-	-			-	-			-	-		
3	-	-			-	-			-	-		
4	-	-			-	-			-	-		
...	-	-			-	-			-	-		

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
-	-			-	-			-	-			-	-		
-	-			-	-			-	-			-	-		
-	-			-	-			-	-			-	-		
-	-			-	-			-	-			-	-		
-	-			-	-			-	-			-	-		

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (CE)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (PPC)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
-	-			-	-			-	-			-	-		
-	-			-	-			-	-			-	-		
-	-			-	-			-	-			-	-		
-	-			-	-			-	-			-	-		
-	-			-	-			-	-			-	-		

3. GAR KPI stock

The purpose of this template is to disclose GAR KPIs on stock of loans calculated based on data disclosed in template 1, by applying the formulas proposed in this template.
For the 31st December 2024 disclosure, bank reviewed the book and expressed as a percentage the proportion of the stock of assets funding activities referred to in Regulation (EU) 2020/852 (i.e. eligible assets) in total stock of covered assets.

This assessment resulted in 7.98%.

The bank's green assets relate to residential mortgage lending which predominately involves financing existing home purchases.

2024 Turnover Based

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	93.79%	8.69%	8.69%	-	-	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-	-	-		-
24	**Households**	95.10%	8.82%	8.82%	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property	98.51%	9.13%	9.13%	-	-	-	-	-	-				
26	of which building renovation loans	-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans	-	-	-	-	-								
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	86.12%	7.98%	7.98%	-	-	-	-	-	-	-	-	-	-

Note: % coverage (over total assets) has been restated to align to 2024 approach

Disclosure reference date T

Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total assets covered
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	-	-	-	-	-	-	-	-	-	-	-	93.79%	8.69%	8.69%	-	-	72.70%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-		-	-	-		-	-	-		-	-	-		-	-	-
-	-	-	-									95.10%	8.82%	8.82%	-	-	71.70%
-	-	-	-									98.51%	9.13%	9.13%	-	-	69.22%
-	-	-	-									-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	86.12%	7.98%	7.98%	-	-	79.18%

Annex VI - Template for the KPIs of credit institutions
(continued)

2023 Turnover Based

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	89.72%	2.20%	2.20%	-	-	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including Up	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-	-	-		-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-	-	-		-
24	Households	90.69%	2.23%	2.23%	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property	93.76%	2.30%	2.30%	-	-	-	-	-	-				
26	of which building renovation loans	-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans													
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Total GAR assets	82.64%	2.03%	2.03%	-	-	-	-	-	-	-	-	-	-

Note: % coverage (over total assets) has been restated to align to 2024 approach

Disclosure reference date T-1																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
-	-	-	-	-	-	-	-	-	-	-	-	89.72%	2.20%	2.20%	-	-	76.04%
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-	-	-	-									90.69%	2.23%	2.23%	-	-	75.22%
-	-	-	-									93.76%	2.30%	2.30%	-	-	72.75%
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-	-	-	-	-	-	-	-	-	-	-	-	82.64%	2.03%	2.03%	-	-	82.55%

Annex VI - Template for the KPIs of credit institutions
(continued)

2024 CapEx Based

% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	93.79%	8.69%	8.69%	-	-	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-	-	-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-	-	-	-	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-	-	-		-
24	**Households**	95.10%	8.82%	8.82%	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property	98.51%	9.13%	9.13%	-	-	-	-	-	-				
26	of which building renovation loans	-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans	-	-	-	-	-								
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	86.12%	7.98%	7.98%	-	-	-	-	-	-	-	-	-	-

Disclosure reference date T																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total assets covered
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	-	-	-	-	-	-	-	-	-	-	-	93.79%	8.69%	8.69%	-	-	72.70%
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-	-	-	-									95.10%	8.82%	8.82%	-	-	71.70%
-	-	-	-									98.51%	9.13%	9.13%	-	-	69.22%
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	86.12%	7.98%	7.98%	-	-	79.18%

Annex VI - Template for the KPIs of credit institutions
(continued)

2023 CapEx Based

	% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which specialised lending	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	89.72%	2.20%	2.20%	-	-	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including Up	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-	-	-		-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-	-	-		-
24	Households	90.69%	2.23%	2.23%	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property	93.76%	2.30%	2.30%	-	-	-	-	-	-				
26	of which building renovation loans	-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans													
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Total GAR assets	82.64%	2.03%	2.03%	-	-	-	-	-	-	-	-	-	-

Note: % coverage (over total assets) has been restated to align to 2024 approach

Disclosure reference date T-1																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
-	-	-	-	-	-	-	-	-	-	-	-	89.72%	2.20%	2.20%	-	-	76.04%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-									90.69%	2.23%	2.23%	-	-	75.22%
-	-	-	-									93.76%	2.30%	2.30%	-	-	72.75%
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	82.64%	2.03%	2.03%	-	-	82.55%

Annex VI - Template for the KPIs of credit institutions
(continued)

4. GAR KPI flow

The purpose of this template is to disclose GAR KPIs on flow of loans calculated (new loans on a net basis) based on data disclosed in template 1, by applying the formulas proposed in this template.
For the 31st December 2024 disclosure, bank reviewed the book and expressed as a percentage the proportion of new assets (i.e. assets originated and acquired within the current disclosure period) funding taxonomy-relevant activities (i.e. eligible assets) for the objective of climate change mitigation in total new eligible assets (i.e. eligible assets originated and acquired within the current disclosure period).

This assessment resulted in 14.80%.

The bank's green assets relate to residential mortgage lending which predominately involves financing existing home purchases rather than new capital expenditures.

2024 Turnover Based

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total covered assets in the denominator)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	79.58%	14.80%	14.80%	-	-	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-	-	-		-
24	**Households**	89.98%	16.73%	16.73%	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property	100%	18.59%	18.59%	-	-	-	-	-	-				
26	of which building renovation loans	-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans	-	-	-	-	-								
28	**Local governments financing**	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**	79.58%	14.80%	14.80%	-	-	-	-	-	-	-	-	-	-

Disclosure reference date T

Circular economy (CE) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	CE – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	CE – Of which Use of Proceeds	CE – Of which enabling	Pollution (PPC) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	PPC – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	PPC – Of which Use of Proceeds	PPC – Of which enabling	Biodiversity and Ecosystems (BIO) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	BIO – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	BIO – Of which Use of Proceeds	BIO – Of which enabling	TOTAL (CCM + CCA + WTR + CE + PPC + BIO) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	TOTAL – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	TOTAL – Of which Use of Proceeds	TOTAL – Of which transitional	TOTAL – Of which enabling	Proportion of total new assets covered
-	-	-	-	-	-	-	-	-	-	-	-	79.58%	14.80%	14.80%	-	-	57.45%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-									89.98%	16.73%	16.73%	-	-	57.43%
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-	-	-	-	-	-	-	-	-	-	-	-	79.58%	14.80%	14.80%	-	-	64.93%

Annex VI - Template for the KPIs of credit institutions
(continued)

2023 Turnover Based

% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator													
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	76.14%	3.14%	3.14%	-	-	-	-	-	-	-	-	-	-
2 Financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
4 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
5 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Equity instruments	-	-		-	-	-	-		-	-	-		-
7 Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
8 of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Equity instruments	-	-		-	-	-	-		-	-	-		-
12 of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Equity instruments	-	-		-	-	-	-		-	-	-		-
16 of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
17 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19 Equity instruments	-	-		-	-	-	-		-	-	-		-
20 Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
21 Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
23 Equity instruments	-	-		-	-	-	-		-	-	-		-
24 Households	76.15%	3.14%	3.14%	-	-	-	-	-	-				
25 of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-				
26 of which building renovation loans	-	-	-	-	-	-	-	-	-				
27 of which motor vehicle loans	-	-	-	-	-								
28 Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Total GAR assets	68.35%	2.82%	2.82%	-	-	-	-	-	-	-	-	-	-

Note: % coverage (over total assets) has been restated to align to 2024 approach

Disclosure reference date T																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total new assets covered
-	-	-	-	-	-	-	-	-	-	-	-	76.14%	3.14%	3.14%	-	-	76.14%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-									76.15%	3.14%	3.14%	-	-	76.15%
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-	-	-	-	-	-	-	-	-	-	-	-	68.35%	2.82%	2.82%	-	-	68.35%

Annex VI - Template for the KPIs of credit institutions
(continued)

2024 CapEx Based

	% (compared to total covered assets in the denominator)	Total (Million EUR)	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator	-													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation		79.58%	14.80%	14.80%	-	-	-	-	-	-	-	-	-	-
2	**Financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances		-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP		-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments		-	-		-	-	-	-		-	-	-		-
7	Other financial corporations		-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP		-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments		-	-		-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances		-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP		-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments		-	-		-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP		-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments		-	-		-	-	-	-		-	-	-		-
20	**Non-financial undertakings**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances		-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP		-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments		-	-		-	-	-	-		-	-	-		-
24	**Households**		89.98%	16.73%	16.73%	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property		100.00%	18.59%	18.59%	-	-	-	-	-	-				
26	of which building renovation loans		-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans		-	-	-	-	-								
28	**Local governments financing**		-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing		-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing		-	-	-	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**		-	-	-	-	-	-	-	-	-	-	-	-	-
32	**Total GAR assets**		79.58%	14.80%	14.80%	-	-	-	-	-	-	-	-	-	-

Note: % coverage (over total assets) has been restated to align to 2024 approach

Disclosure reference date T																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total new assets covered
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	-	-	-	-	-	-	-	-	-	-	-	79.58%	14.80%	14.80%	-	-	57.45%
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-	-	-	-	-	-	-	-	-	-	-	-	79.58%	14.80%	14.80%	-	-	64.93%

Annex VI - Template for the KPIs of credit institutions
(continued)

2023 CapEx Based

% (compared to total covered assets in the denominator)		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator													
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	76.14%	3.14%	3.14%	-	-	-	-	-	-	-	-	-	-
2	Financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-		-	-	-	-		-	-	-		-
7	Other financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-	-		-	-	-		-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-	-	-		-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-	-		-	-	-		-
20	Non-financial undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-	-	-		-
24	Households	76.15%	3.14%	3.14%	-	-	-	-	-	-				
25	of which loans collateralised by residential immovable property	-	-	-	-	-	-	-	-	-				
26	of which building renovation loans	-	-	-	-	-	-	-	-	-				
27	of which motor vehicle loans	-	-	-	-	-								
28	Local governments financing	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Total GAR assets	68.35%	2.82%	2.82%	-	-	-	-	-	-	-	-	-	-

Note: % coverage (over total assets) has been restated to align to 2024 approach

Disclosure reference date T																	
Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total new assets covered
		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
-	-	-	-	-	-	-	-	-	-	-	-	76.14%	3.14%	3.14%	-	-	76.14%
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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-	-	-	-									76.15%	3.14%	3.14%	-	-	76.15%
-	-	-	-									-	-	-	-	-	-
-	-	-	-									-	-	-	-	-	-
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-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	68.35%	2.82%	2.82%	-	-	68.35%

5. KPI off-balance sheet exposures

The purpose of this template is to disclose information for off-balance sheet exposures calculated based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template.
For the 31st December 2024 disclosure, owing to bank's prioritised analysis of alignment with the EU Taxonomy within households, secured against residential immovable property this template hasn't been populated. Nil return for Turnover and Capex for 2024 and 2023.

		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
% (compared to total eligible off-balance sheet assets)				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
1	Financial guarantees (FinGuar KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Assets under management (AuM KPI)	-	-	-	-	-	-	-	-	-	-	-	-	-

Disclosure reference date T																	
	Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Task Force on Climate-related Financial Disclosures

Governance

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

TCFD Recommendation: PTSB's governance around climate-related and environmental risks and opportunities

A. Board and Management oversight of climate-related risks and opportunities.

Board and Management Oversight

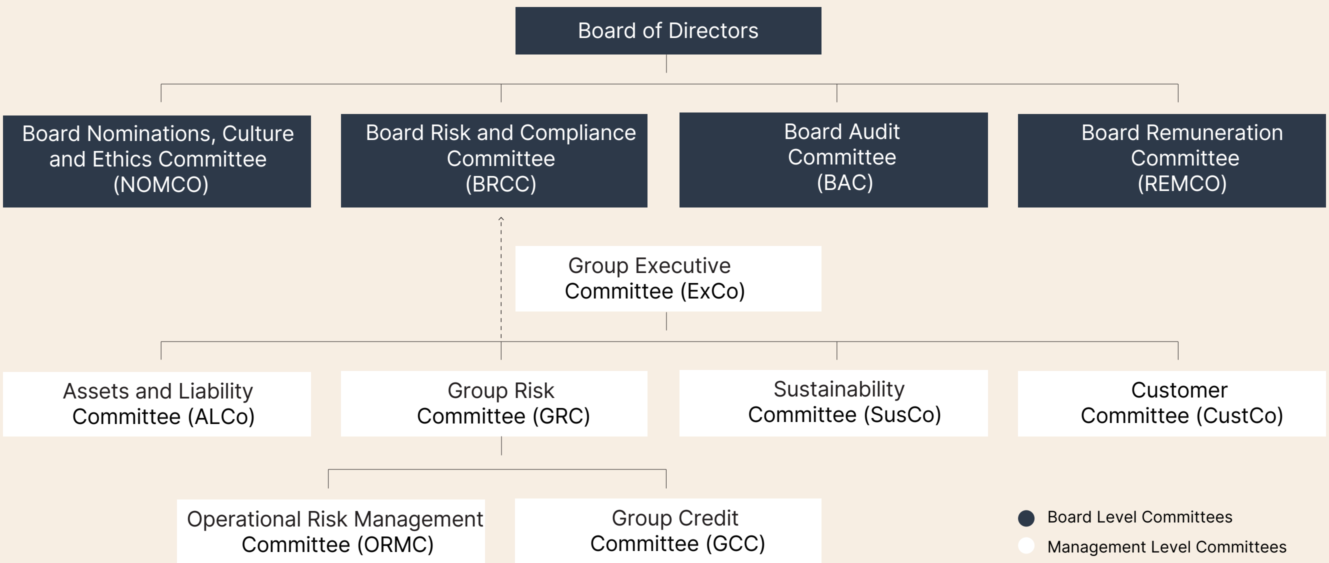
The PTSB Board of Directors (Board) is accountable for the success of the Bank over the long-term and is collectively responsible for the governance of the Bank. The Board is responsible for overseeing and approving the Bank's strategic plan and monitoring its implementation and effectiveness within its Risk Appetite. In addition, the Board is accountable for formulating, approving and supervising the implementation of the Bank's Sustainability Strategy, including the Environmental, Social and Governance (ESG) Risk Strategy (including Climate-related and Environmental (CR&E) matters), to realise its long-term financial interests and maintain its solvency.

PTSB's Risk Governance Structure

Various Committees with delegated responsibilities assist the Board and Executive Committee in managing and monitoring the risks and opportunities that climate change and the transition to a sustainable economy present. Within the Bank, CR&E risk is coordinated at an enterprise-level, with the functions and business segments sharing responsibility for addressing CR&E risks and opportunities.

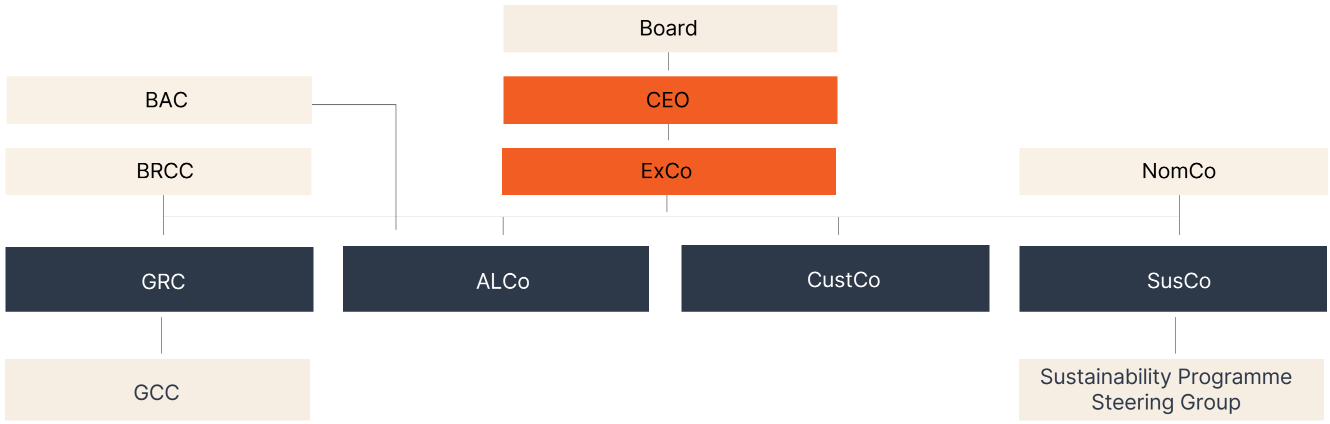
Throughout 2024, the Board met at regular intervals to receive updates in relation to sustainability and CR&E risk integration. Meetings took place at least once per quarter, and more often as required. Key topics included:

- Refreshing the approach to Sustainability Programme governance;
- Appointing a Chief Sustainability and Corporate Affairs Officer, a Head of Sustainability and supporting team;
- Horizon scanning of the CR&E risk regulatory landscape;
- Closing of the Bank's 2022 CR&E Risk Implementation Plan;
- Ongoing integration of CR&E risk into the Bank's wider Sustainability Programme, through an ESG Risk Management Workstream;
- Identifying market opportunities for further development of the Bank's Product and Propositions, including Green Products and Propositions;
- Delivering PTSB's regulatory and voluntary CR&E risk disclosures, including the EU Taxonomy, Pillar 3 ESG Templates, the Corporate Sustainability Reporting Directive (CSRD) and the TCFD;
- Developing the Bank's planned science-based targets (SBTs) in line with the Science Based Target Initiative's (SBTi) V2 Guidance and a corresponding Carbon Reduction Plan; and,
- Receiving training on the CSRD, SBTs and carbon reduction activity.



The PTSB Group Governance Structure

The Board Committees with CR&E risk oversight responsibility can be found below.



Board Audit Committee (BAC)
The BAC is responsible for overseeing the process of disclosure and communication with external stakeholders and competent authorities, which includes climate-related disclosures.

Board Risk and Compliance Committee (BRCC)
The BRCC has delegated responsibility from the Board to assess the impact of CR&E risk on the Bank's overall Risk Profile. The BRCC has approved and provides oversight on the execution of an enterprise wide CR&E Risk Implementation Plan.

Nomination, Culture and Ethics Committee (NomCo)
The NomCo is the overarching Board advisory committee responsible for the review, design, implementation, and effectiveness of the Bank's Sustainability Strategy. A key pillar within the Bank's Sustainability Strategy is 'Addressing Climate Change and Supporting the Transition to a Low Carbon Economy', which includes a focus on CR&E risk.

B. Board and Management's role in assessing and managing climate-related and environmental risks and opportunities.

Executive Management Oversight
The Executive Committee (ExCo) is the Senior Management Committee of PTSB with authority to operate and make decisions within limits set by the Board.

The ExCo is the custodian of the Bank's collective Strategic Portfolio, Medium Term Plan (MTP) and Risk Management, as developed through the annual Strategic Planning Process (SPP). The ExCo is the accountable body for the Group's operations, compliance and performance; defining the Group's organisational structure; ensuring the adoption, application and maintenance of all standards set by the Board; and a forum for bank-wide colleagues and other functional issues and ensuring that a robust and resilient operating framework exists within which the Bank's activities are undertaken. The ExCo is the ultimate management committee responsible for the development and implementation of the Bank's Sustainability Strategy and the management of CR&E risk.

PTSB continues to make good progress integrating consideration for CR&E risk into the Bank's management structure and business model. The ExCo meets frequently to discuss Business Strategy, planning, change management, financial planning, risk management, operations and performance. These discussions also include CR&E risk matters, when applicable.

Throughout 2024, the ExCo met at regular intervals to receive updates in relation to sustainability and CR&E risk integration. Meetings took place at least once per quarter, and more often as required. Key topics included:

- Refreshing the approach to Sustainability Programme governance;
- Development of a Sustainability Programme Target Operating Model;
- Approach to Sustainability Learning and Development for colleagues, including CR&E risk;
- Horizon scanning of the CR&E risk regulatory landscape;
- Closing of the Bank's 2022 CR&E Risk Implementation Plan;
- Ongoing integration of CR&E risk into the Bank's wider Sustainability Programme, through an ESG Risk Management Workstream;
- Identifying market opportunities for further development of the Bank's Product and Propositions, including Green Products and Propositions;
- Evolving the Bank's approach to ESG Data integration;
- Delivering PTSB's regulatory and voluntary CR&E risk disclosures, including the EU Taxonomy, Pillar 3 ESG Templates, the Corporate Sustainability Reporting Directive (CSRD) and the TCFD;
- Developing the Bank's planned science-based targets (SBTs) in line with the Science Based Target Initiative's (SBTi) V2 Guidance and a corresponding Carbon Reduction Plan;

- Evolving the Bank's approach to ESG Data integration; and,
- Receiving training on the CSRD, SBTs and carbon reduction activity.

The management level roles and responsibilities are outlined below, as is the detail on the management committees with sustainability and CR&E risk responsibility.

The **Chief Executive Officer (CEO)** is responsible for overseeing PTSB's Sustainability Strategy and climate action agenda. The CEO sits on the Board, is Chair of the ExCo and attends the NomCo as requested - the overarching Board advisory committee responsible for Sustainability. The CEO is responsible for assessing and managing CR&E risks and opportunities and is a member of the Sustainability Committee (SusCo).

The **Chief Financial Officer (CFO)** is responsible for the Bank's financial planning including capital management and all external reporting and disclosures for PTSB. The CFO is responsible for oversight and reporting of climate-related disclosures. The CFO reports directly to the CEO and sits on the Board of PTSB. The CFO is also an attendee of the BAC, the Committee who oversee material climate-related disclosures. The CFO is also a member of the SusCo.

The **Chief Risk Officer (CRO)** is responsible for assessing the impact of CR&E risk on the Bank's overall Risk Profile and supports the CEO in overseeing PTSB's Sustainability Strategy and climate action agenda. The CRO attends the Board to present their monthly CRO Report, which includes an update on CR&E risk, is a member of the ExCo and attends the BRCC, which has delegated responsibility from the Board to assess the impact of CR&E risk on the Bank's overall Risk Profile. The CRO is also a member of the SusCo.

Under the Individual Accountability Framework (IAF), the CRO has been assigned Prescribed Responsibility 24 (PR 24), 'the responsibility for managing financial risks from climate change'. Progress has been made to identify and address the capability and delivery requirements for CR&E risk across the Bank through implementation of the following:

- Establishing a Responsible, Accountable, Consulted and Informed (RACI) Matrix which defines the accountable owners, roles and responsibilities required to deliver on PR 24 with prescribed responsibility allocated to the CRO;
- Mobilising a dedicated team within the Risk function for CR&E risk management and integration;
- Building internal capability through training, including to the members of the Senior Leadership Team, the ExCo and Board in relation to CR&E risk; and,
- Partnering with a third-party professional services firm to provide strategic guidance and advisory support.

The **Chief Sustainability and Corporate Affairs Officer (CSCAO)** is responsible for leading the development and implementation of the Bank's Sustainability Strategy in line with regulation and supervisory expectation, while ensuring all activity is aligned with the Bank's overarching Business Strategy and Purpose. The CSCAO sits on the ExCo of the Bank and reports directly to the CEO. The CSCAO chairs the Bank's SusCo.

The **Chief Customer and People Officer (CCPO)** is responsible for developing and implementing key elements outlined in the Bank's Sustainability Strategy, for example the delivery of sustainable finance products and propositions that support our customers in transition. The CCPO is a regular attendee of the NomCo and is a member of the Bank's ExCo.

Management Committees with CR&E Risk Oversight Responsibility
PTSB has Executive Level Committees that oversee and deliver the Bank's ESG Risk Management Strategy (including CR&E risk) and associated external commitments under the Sustainability Programme. These Committees take an enterprise-wide approach to overseeing our climate strategy, targets, commitments, goals and disclosures, working with a broad set of leaders across PTSB to encourage alignment and coordination.

Group Risk Committee (GRC)
The GRC is a sub-committee of ExCo and assesses bank wide risk management issues and ensures that fair customer outcomes are delivered. A key role within GRC is the assessment of the impact of CR&E risk on the Bank's overall Risk Profile. The GRC meets monthly, with an update on CR&E risk consideration coming into the Committee as required.

Group Credit Committee (GCC)
The GCC oversees and manages credit related CR&E risk for the Bank via both monitoring and providing regular updates on the related Risk Appetite Statements which are kept aligned with the Bank's Strategy, as well as the Bank's Credit Policies which are formulated considering the Bank's appetite as well as external factors such as regulation, emerging risks and market dynamics. The GCC meets monthly, with an update on CR&E risk consideration coming into the Committee as required.

Customer Committee (CustCo)
The CustCo is a sub-committee of the ExCo and is chaired by the Chief Retail Banking Officer. The Committee approves new, and changes to current, products and services that are aligned to the Bank's Sustainability Strategy which includes consideration for climate-related (Green) sustainable finance Products and Propositions. The CustCo meets monthly, with an update on CR&E risk integration into the Bank's Products and Propositions provided as required.

Assets and Liabilities Committee (ALCo)
The ALCo reviews, and is responsible for overseeing, all activity relating to Asset and Liability Management (ALM), Treasury and Market Risks, including Liquidity Risk, Interest Rate Risk, Treasury Counterparty Risk and Foreign Exchange (FX) Risk, and Capital Management. Oversight includes the integration of CR&E risk into Internal Liquidity Adequacy Assessment Process (ILAAP) and Internal Capital Adequacy Assessment Process (ICAAP).

The ALCo is the body accountable for the evaluation of other potential drivers of earnings volatility, including, but not limited to, competitive and external market pressures, and for approving optimisation and hedging strategies against those risks. The ALCo is a sub-committee of the ExCo and is responsible for overseeing pricing decisions. As such, the Bank's Green Mortgage products are approved through this forum.

Disclosures Committee (DC)
The Bank's Disclosures Committee is a governance body that provides oversight of material disclosures, including: the Annual Report; Interim Report; TCFD Report; Pillar 3 Report; the CSRD Sustainability Statement; and, selected ESG disclosures. The Bank's disclosures include updates relating to CR&E risk programming and associated KPIs and the Committee meets as required as part of its annual reporting cycles.

Sustainability Committee (SusCo)
The SusCo acts on delegated authority from the ExCo to provide oversight in line with supervisory expectations on the execution of the Bank's Sustainability Strategy, including a focus on CR&E risk implementation under the 'Addressing Climate Change and Supporting the Transition to a Low Carbon Economy' pillar.

The SusCo is chaired by the CSCAO and Executive membership includes the CEO, CFO, CRO, Chief Operations Officer, Chief Technology Officer and the Chief Retail Banking Officer. The Committee operates on delegated authority from the ExCo. The SusCo is responsible for the delivery of the Bank's Sustainability Strategy by ensuring that there is sufficient oversight, alignment, governance and challenge of activity across key areas of focus for the Bank's overall sustainability programming.

In addition, the Committee also provides oversight of all activities relating to ESG factors such as climate change, that are core to operating our business in a responsible and sustainable way, including: Regulatory Compliance Risk, international framework alignment, sustainable finance (Green[1]) products and propositions, business operations and carbon impact, sourcing responsibly, community impact and partnerships and sustainability communications.

At a high level, the Committee is responsible for:

- Leading on the implementation and embedding of the Bank's Board approved Sustainability Strategy (which includes a focus on CR&E risk), ensuring that all activity is embedded in the Bank's ambition, purpose, culture, corporate strategy and strategic priorities;
- Overseeing Sustainability-related programming and providing guidance and support to sustainability activities across the key areas of focus set out within the Sustainability Strategy, including CR&E risk management as part of the ESG Risk Management Workstream;
- Overseeing the development of the Bank's SBTs and preparation of the associated Carbon Reduction Plan;
- Engaging stakeholders as needed to ensure organisational alignment on key Sustainability-related risks and opportunities (including CR&E risk), and maintaining awareness and linkages to other strategic programmes;
- Developing Sustainability Key Performance Indicators (KPIs) and processes that enable the Bank to effectively measure, monitor and manage them; and,
- Monitoring and reporting progress to the Board and Executive Committee at regular intervals throughout the year.

The SusCo meets monthly and an update on CR&E risk is provided as part of the ESG Risk Workstream Update. Deep dives on CR&E risk key areas of focus and associated progress against KPIs are provided to the Committee outside of the monthly update, as required.

Sustainability Steering Committee (SteerCo)
Supporting the SusCo, the SteerCo is made up of members from the Bank's Senior Leadership Team. It includes enterprise-wide representation to ensure a holistic and integrated approach to support execution of the Bank's Sustainability Strategy. During 2024, the SteerCo was made up of eight workstreams, including: Governance, Strategy and Communications; Science Based Targets (SBTs); ESG Data Infrastructure and Models; ESG Risk Management; Opportunities and Enablement; External Reporting; Social Impact; and, Business as Usual (BAU) delivery.

Strategy

TCFD recommendation: Actual and potential impacts of climate-related and environmental risks and opportunities on business, strategy and financial planning, where such information is material.

A. Climate-related and environmental risk and opportunities over the short, medium and long term

Central banks and financial regulators widely acknowledge that climate change is a source of financial stability risk. Managing CR&E risks and opportunities is a key area of focus for the Bank under the 'Addressing Climate Change and Supporting the Transition to a Low Carbon Economy' Pillar of our Sustainability Strategy.

The Bank made further progress on the integration of CR&E risk across the Bank's activities during 2024, including:

- Closing the Bank's 2022 CR&E Risk Implementation Plan;
- Completing a Quantitative CR&E Risk Materiality Assessment;
- Ongoing integration and remediation of CR&E risk data to inform CR&E risk analysis and Strategy;
- Reviewing the Risk Appetite Statement and monitoring CR&E Key Risk Indicators (KRIs);
- Launching an enhanced Environmental, Social and Governance Questionnaire (ESGQ) to support due diligence of our Business Banking customers;
- Disclosing on CR&E risk under the recommendations of the TCFD as part of our annual reporting cycle and contributing to CDP (formerly the Carbon Disclosure Project);
- Measuring and disclosing our carbon impact across Scope 1, 2 and 3 (including our financed emissions); and,
- Developing science-based targets (SBTs) in line with the Science Based Target Initiative's (SBTi) Version 2 Guidance for Financial institutions. The work included the development of a corresponding Carbon Reduction Plan to support us in achieving our Targets once set. The Targets and Plan will be submitted to the SBTi during Q1 2025 for validation. We will communicate our Targets once the validation process reaches completion.

1 Green Products and Propositions are those which address the Bank's climate change objectives.

Task Force on Climate-related Financial Disclosures
(continued)

In addition, the Bank continued to offer its customers green and sustainability-related Products and Propositions, enabling us to support our customers in transition, while also mitigating against CR&E risk. Activities included:

- Continuing to build CR&E risk considerations into the Product and Proposition development process and delivering c.€875 million in green lending through the Bank's Green Mortgage during 2024, accounting for 43% of new Mortgage lending, +28% YoY;
- Becoming the first lender to participate in the Strategic Banking Corporation of Ireland's (SBCI's) Home Energy Upgrade Loan Scheme, aimed at supporting eligible applicants who wish to invest and improve in the energy efficiency of a residential property. The Bank has the ability to provide €100m in funding;
- Participating in the SBCI's Growth and Sustainability Loan Scheme, offering €70m in loans; and,
- Issuing the Bank's inaugural €500m Green Bond.

PTSB continues to invest in resources to deliver on its Sustainability Programme objectives, which includes the appointment of a CSCAO, Head of Sustainability and a supporting team. A professional services firm is also in place to provide strategic guidance and advisory support, where required.

CR&E risk is a Key Risk Category defined within the Bank's Enterprise Risk Management Framework (ERMF) of which there are two sub-risk categories, Physical Risk and Transition Risk. Both sub-risk types may act as a driver that impacts the financial services sector to varying degrees over a range of plausible climate scenarios, across the short, medium and long-term. The extent to which the impact of Physical and Transition Risk might impact a financial services firm will vary depending on the organisation's business model, customer base, geographical location as well as the transition process to a low-carbon economy.

The Physical and Transition Risk definitions outlined within the Bank's ERMF, for reference by all Business Units, are as follows:

Physical Risk
Physical Risk, the risk of economic cost and financial losses resulting from the increasing severity and frequency of:

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

Transition Risk
The risk of economic cost, financial loss or an adverse outcome related to the process of adjustment towards a low-carbon and more environmentally sustainable economy. Transition to a low-carbon economy may require substantial policy, legal, technology and market changes. These changes may result in a financial loss and reputational risk to organisations, with the severity of this depending on the scope and speed of change required.
Transition Risk may include:

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

There is a level of uncertainty regarding the timing of both climate-related Physical and Transition Risk. CR&E risk may materialise in the short, medium and long-term and as such, it is important for organisations to take a forward-looking approach and consider a longer than usual time horizon when assessing CR&E risk.

The impacts of climate change are predicted to occur over longer time horizons then the typical cycle of financial institutions' analysis and forecasting. Therefore, to ensure the meaningful assessment of the far-reaching impacts of CR&E risk, time horizons must reflect this long-term nature. A review of existing defined time horizons within PTSB was conducted, considering European Central Bank (ECB) good practice, industry peers and internal processes, resulting in the below time horizons being applied within the Bank's CR&E Risk Materiality Assessment.

At a Group level, Physical and Transition (CR&E) risk are considered through the following time horizons.[2]

	From (years)	To (years)
Short-Term	0	3
Medium-Term	3	5
Long-Term	>5	

The Bank completed a qualitative CR&E Risk Materiality Assessment in 2023 that served as a key exercise in the assessment of CR&E risk and how it may impact upon other Risk Categories of the Bank.

In 2024, a quantitative CR&E Risk Materiality Assessment was completed which contains a detailed review of the potential impacts of CR&E risk upon the Gross Risk Profile of the Bank across the Key Risk Categories defined in the ERMF. This assessment included a granular review and identification of the relevant and material CR&E risk drivers (across Physical and Transition sub-risks) and corresponding transmission channels that could manifest for PTSB.

2 These Time Horizons were updated in 2024, in line with the methodology applied to the CR&E Materiality Assessment. Previously used Time Horizons were Short-Term 0-1, Medium Term 1-5 and Long Term 5-30.

The assessment included a detailed description of the relevant transmission channels between Physical and Transition Risk drivers and conventional Risk Categories as defined in the ERMF. It built upon the 2023 assessment by leveraging plausible climate futures as developed by the Network for Greening the Financial System (NGFS) scenarios and applying quantitative analysis where appropriate.

The below table provides a description of defined CR&E risk drivers used to structure the identification and attribution of CR&E risk transmission channels. For the purposes of this exercise, the following definition of CR&E risk transmission channels was used: 'the causal impact chains that explain how CR&E risk drivers give rise to the financial risks faced by PTSB (directly or indirectly)'.[3-4]

ERMF Sub-risk	Driver	Description
Physical Risk	Acute	Extreme weather events and their impacts such as flooding.
	Chronic	Long-term gradual shifts to climate patterns, sea-level rise, temperature rises, and coastal erosion.
Transition Risk	Policy & Regulation	Changes to external policy and regulation to support the transition towards a low carbon economy and other climate impacts.
	Technology	Technological advancements that require businesses to adapt to remain competitive or may improve resilience to climate change.
	Behaviour & Sentiment	Changes to behaviour and sentiment (consumers, investors, suppliers, third parties, and wider market) that may impact demand for certain sustainable or green products, services, and performance.

The CR&E Risk Materiality Assessment considered the transmission channels through a forward-looking perspective across short (0-3), medium (3-5) and long (>5) term horizons, as well as across four plausible climate future scenarios. These scenarios were based on NGFS scenarios namely: 'Orderly', 'Disorderly', 'Hot House World' and 'Too Little Too Late'. These scenarios were used to provide a structured narrative regarding the potential impacts of climate-related risk as applicable to the financial sector.[3] Given the cross-cutting nature of CR&E risk, the diverse forms through which it may manifest across other Risk Categories (as defined in the ERMF) was comprehensively assessed.

The process for identifying potential transmission channels for CR&E risk impacts was led by subject matter expertise from across the Bank (including 1LOD and 2LOD), Group Risk documentation and internal resources. In addition, industry good practice further supported the assessment, including the ECB's Thematic Review on Climate and Environmental Risk (2022)[4].

The outputs from the 2024 CR&E Risk Materiality Assessment demonstrated the cross-cutting nature of CR&E risk as a driver of Risk across the Bank's Key Risk Categories. The assessment identified CR&E risk as a relevant consideration and driver of Risk for all Categories assessed at an enterprise-level. Furthermore, the impact of CR&E risk was assessed as material for four Risk Categories (Credit, Business, Compliance and Reputational and Conduct Risks) based on how CR&E drivers and associated transmission channels could potentially manifest as potential financial loss for the Bank.

Differing risk profiles and time horizons were assessed across the relevant NGFS scenarios. For example, the 'Orderly' Scenario included a range of Transition Risks in the short and medium time horizon due to global Net Zero ambitions and associated actions. The 'Disorderly' Scenario, premised on a delayed transition after 2030, included a range of Transition Risk drivers materialising in the long-term horizon, whereas Physical Risk was the primary driver under the 'Hot House World' Scenario, whereby inaction to limit atmospheric warming would lead to both acute and chronic risk impacts becoming more severe over time.

Among the most significant transmission channels identified for Physical Risk, particularly driven by the risk of extreme storms and flood events, were the potential financial impacts upon Collateral Valuations and Customer repayment capacity (Credit Risk), and Facilities and Business Continuity impacts (Operational and IT Risk). For Transition Risk, significant transmission channels identified included potential impacts upon market share and competitiveness (Business Risk), potential brand image and other reputational impacts (Reputational and Conduct Risk) and increasing CR&E Risk-related policy and regulatory obligations and expectations (Compliance Risk).

The table below summarises the potential impacts that are driven by CR&E risk in the short (S), medium (M) and long (L) term. In the following summaries, the impact of CR&E risk was determined as Material (suspected that it may manifest as material risk under prescribed conditions) or Relevant (may manifest as increased risk under prescribed conditions, but at a low or minor level).

3 Network for Greening the Financial System (NGFS), Scenarios Portal, 5th vintage, 2024 (https://www.ngfs.net/ngfs-scenarios-portal/)

4 Walking the talk Banks gearing up to manage risks from climate change and environmental degradation Results of the 2022 thematic review on climate-related and environmental risks. https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.thematicreviewcerreport112022~2eb322a79c.en.pdf

ERMF Risk Category	Summary	Time Horizon
Credit Risk	The potential impact is Material as both Physical and Transition Risk may impact collateral valuations and customer ability to service repayments, becoming increasingly material over time.	S/M/L
Compliance Risk	The potential impact is Material as the regulatory environment already includes CR&E Risk-related expectations for PTSB that will increase over time.	S/M/L
Reputational & Conduct	The potential impact is Material Transition Risk drivers are already present and actin upon PTSB, its customers and the wider operating model.	S/M/L
Business Risk	The potential impact is Relevant in particular with regards to acute Physical Risk applicable in the short term, albeit not expected to be material at an enterprise level until the long-term.	S/L
Op & IT Risk	The potential impact is Relevant but limited in the long term due to PTSB's limited exposure to market factors (for example, Credit Risk Spread).	S/M/L
Capital Adequacy Risk	The potential impact is Relevant with CR&E factors already in place as part of existing ECB expectations, which are not anticipated to be material in the short term but could strengthen over time.	S/M/L
Liquidity & Funding Risk	The potential impact is Relevant with most impacts identified in the long term with the exception of the Orderly scenario due to macroeconomic disruption in the near-term.	M/L
Model Risk	The potential impact is Relevant but limited in the short-term, although may increase over time as CR&E-related model use becomes desirable or necessary within processes and procedures.	M/L

Climate-related and Environmental Risks and Opportunities

B. Impact of climate-related risks and opportunities on business, strategy, and financial planning.

At present, the Bank does not yet formally assess how identified climate-related issues have affected or will affect the business, strategy, and its financial planning.

PTSB has in place an overarching three-year strategic and financial plan for the Bank - The Integrated Strategic Plan.

The Plan sets out the core priorities of the Bank and considers the needs of our stakeholders. PTSB channels its investment and efforts into the activity required to deliver on the strategic initiatives that have been agreed within the Plan.

Sustainability is at the heart of the Plan, enabling us to put it at the centre of how we run and grow our business. Key commitments include:

- Embedding consideration for sustainability (and CR&E risk) into all areas of our business;
- Meeting sustainability-related regulation and mitigating against ESG risk (including CR&E risk);
- Ensuring that our workforce have the right knowledge and capability to deliver our sustainability and CR&E risk objectives;
- Enhancing mortgage and retrofit propositions for personal customers; and,
- Introducing sustainability propositions for our Business Banking customers.

Key areas considered during the Bank's 2024 SPP included:

Pillar	Activity/Focus	CR&E Risk	CR&E Opportunity
Strategy:	• Evolving the Bank's approach to Sustainability Programme governance with the appointment of a CSCAO, Head of Sustainability and supporting team; and,		●
	• Refreshing SusCo membership, the establishment of a Sustainability Steering Committee and ongoing individual workstreams of activity led by Accountable Executives and Senior Leaders from all areas of the business.		●
CR&E Risk Management	• Introducing a CR&E Risk Management Framework (CR&E RMF) under the overarching ERMF. This supports an enterprise-wide integration and understanding of the cross-cutting relevance of CR&E risk, including a definition of CR&E risk with sub-risk categories (Physical and Transition) for reference by all Business Units; and,	●	
	• Further building consideration of climate-related risk into the Bank's ICAAP and ILAAP.	●	
Data	• Completing time horizon mapping of the Bank's backbook assets based on Physical Risk (coastal, fluvial and pluvial) data;	●	
	• Incorporating address matching with GeoDirectory data to remediate geolocation details;	●	
	• Validating Transition Risk via both collection of the Building Energy Rating (BER) certificates and BER estimates using the Sustainable Energy Authority of Ireland (SEAI) data;	●	
	• Leveraging enhanced data sets to populate External Reporting Disclosures (including, CSRD Sustainability Statement, EU Taxonomy and Pillar 3 ESG Templates);		●
	• Ongoing data enhancements to obtain projected flood depths and frequency to support advanced analysis related to collateral valuations, modelling and stress testing;	●	
	• Introducing an ESGQ for the Bank's Business Banking Customers to assist in gathering Due Diligence information; and,	●	
	• Ongoing supplier engagement as part of due diligence within the onboarding process. As part of the process, new suppliers are encouraged to submit information relating to their organisation including ESG topics such as emissions targets, carbon emissions, and renewable energy use.	●	
Products and Propositions:	• Reviewing sustainable finance product and proposition development, with particular emphasis on the Bank's most material Mortgage Portfolio which accounts for 93% of the book (as of 31 December 2024);		●
	• Launching a €100m in funding through the Strategic Banking Corporation of Ireland's Home Energy Upgrade Loan Scheme; and,		●
	• Supporting our Business Banking customers in transition through our partnership with the Teagasc Signpost Programme.		●
Disclosures:	• Increasing transparency relating to CR&E risk through disclosures such as the TCFD, CDP (formerly the Carbon Disclosure Project), Pillar 3 ESG Templates, EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD).		●
Metrics and Targets:	• Measuring and disclosing our carbon emissions across Scope 1, 2 and 3 (including the financed emissions associated with our Mortgage, Business Banking and Asset Finance Portfolios);	●	
	• Receiving limited assurance on the Bank's carbon emissions data by an independent third party; and,	●	
	• Developing SBTs and a corresponding Carbon Reduction Plan. The Targets and Plan will be submitted to the SBTi for validation during Q1 2025.	●	●

Pillar	Activity/Focus	CR&E Risk	CR&E Opportunity
Adaptation and Mitigation Activities/ Operations (including types of operations and location of facilities):	• Purchasing 100% energy certified as renewable;		●
	• Continuing the roll out of energy smart metres across our branch locations to get information relating to consumption in real time;		●
	• Completing the data centre migration to new and more efficient buildings;		
	• Installing EV chargers at our most populated administration sites; and,		●
	• Introducing hybrid vehicles into the PTSB fleet which now make up 56% of the overall fleet.		●
Supply Chain:	• Ensuring responsible procurement practices and continuing to embed a Sustainable Supplier Charter, in line with ISO20400.	●	●
Investment in Research and Development:	• Continuing to contribute to sustainable finance thought leadership through our founding membership to the International Sustainable Finance Centre of Excellence.		●
Resources and Capacity Building:	• Appointing a CSCAO, a Head of Sustainability and supporting team.	●	●
	• Provisioning adequate funding for the delivery of the Bank's Sustainability Strategy and integration of CR&E risk into all areas of the business.	●	
	• Developing a Learning and Development Strategy focussed on upskilling the Bank's colleagues across the Sustainability agenda (including CR&E risk); and,		●
	• Delivering training and supports to the Board, Executive Committee and the Senior Leadership Team.	●	

Products and Propositions - An opportunity to support our customers in the transition to a low carbon future
Notwithstanding the fact that climate change presents risk to financial institutions, it also brings with it a significant opportunity to meet new customer needs and drive the commercial agenda.

The Irish Government has committed to achieving a 51% reduction in overall greenhouse gas emissions by 2030, from a 2018 baseline, and setting the country on a path to reach net zero emissions by no later than 2050[5,6]

PTSB recognises the role that business will need to play in supporting the targets set out in the Paris Agreement, including the role that financial services will play in supporting Ireland's Climate Action Plan and financing the private sector to navigate the green transition. Sustainable finance 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.

PTSB's Portfolio is residential in nature with c.93% of the book (as of 31 December 2024) being secured on residential property. As such, it is deemed a material Portfolio for the Bank and a priority area of focus when it comes to both managing and mitigating against CR&E risk.

Green Mortgage
PTSB has in place a Green Mortgage offering, a 5-Year and 3-Year Fixed Rate Product available to all new and existing home loan customers, where their homes have a confirmed or proposed BER of A1 to B3. The Bank built on the success of its 5-Year Fixed Rate product, by introducing a 3-Year Fixed Rate option for customers during 2024. During 2024, c.€875m in green lending was drawn down, accounting for 43% of new Mortgage lending, +28% YoY.

The Bank has in place a set of Green Product and Proposition Design Principles that help to guide, inform and prioritise the development of end-to-end green product offering(s) over the short to medium-term.

Strategic Banking Corporation of Ireland's (SBCI) Home Energy Upgrade Loan Scheme
PTSB was accepted as a participating lender on the SBCI's Home Energy Upgrade Loan Scheme. The Scheme is aimed at supporting eligible applicants who wish to invest and improve in the energy efficiency of a residential property. PTSB was successful in obtaining €100m in funding and was the first Bank to launch the Scheme to the market in April 2024.

5 These national targets align with Ireland's obligations under EU and international treaties, most notably the Paris Agreement (2015) and the European Green Deal (2020) (https://www.gov.ie/en/publication/79659-climate-action-plan-2024/)

6 Ireland's Climate Action Plan (2024) (https://www.gov.ie/en/publication/79659-climate-action-plan-2024/)

Supporting the Bank's Business Banking Customers
PTSB is focused on supporting its Business Banking customers, with an added layer of focus on customers who need additional support to establish infrastructure for climate friendly, resilient business models.

We are committed to:

- Developing lending products for Business Banking customers that support sustainability goals and objectives as part of the Bank's focus on future green product and proposition development;
- Securing €70m of new funding through the SBCI's Growth and Sustainability Loan Scheme which launched during 2024;
- Embedding the Teagasc Signpost Programme into our lending processes for Agri customers; and,
- Introducing specialised training to support the Agri sector with the help of Teagasc.

C. Description of the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Use of Climate Change Scenarios to Assess Strategic Resilience
At present, the Bank does not yet formally use climate-related scenario analysis to assess Business Strategy resilience.

An updated CR&E Risk Materiality Assessment was completed in 2024 that adopted a forward-looking perspective using CR&E risk transmission channels to identify how CR&E risk drivers may manifest risk across other Risk Categories as defined in the ERMF. This assessment leveraged four plausible climate futures based on the NGFS scenarios designed for use in the financial sector and applied quantitative analysis to material CR&E risk transmission channels.

During 2024, CR&E risk was measured as part of the Bank's Operational and IT Risks Pillar 2 Internal Capital Adequacy Assessment (ICAAP). A CR&E Physical Risk standalone sub-scenario was assessed through a business disruption scenario, in respect of non-financial risk impacts. In addition, the impact of CR&E risk on the Bank's Retail Mortgage Portfolio has been completed by way of sensitivity analysis based on data as of 31st December 2023.

CR&E risk will continue to be considered as part of future ICAAP and Internal Liquidity Adequacy Assessment (ILAAP), with scenarios to be enhanced as appropriate, and as data availability to support scenario development continues to evolve.

Insights gained from the Bank's Risk Materiality Assessment, which ensures that all material risks are identified, monitored and effectively managed, will further increase the Bank's understanding of CR&E risk, strengthen the Bank's ICAAP and ILAAP scenario development processes and inform the Bank's Strategy into the future.

Risk Management

TCFD recommendation: Disclose how the organisation identifies, assesses and manages climate-related risks.

A. Processes for identifying and assessing climate-related and environmental risks

Please visit the Strategy section on page 279 for more information on activities conducted by the Bank to identify and assess CR&E risk, including the CR&E Risk Materiality Assessment that was completed during 2024.

CR&E risk management is integrated within the existing ERMF through the inclusion of the CR&E RMF and adopted across the 3LOD Model.

Through the embedding of CR&E risk within the established ERMF structure and conventional risk categories, CR&E risk can now be considered as integrated across the 3LOD model of risk management. Each line of defence performs its duties by identifying and assessing CR&E risks, analysing the relevance of risks, evaluating the impact on the Bank's operations and business and formulating control measures and response strategies.

The First Line of Defence (1LOD Business Units and Functions), undertake frontline commercial and operational activities and their support function is responsible for identifying, owning, managing, monitoring, and mitigating against CR&E risk.

The Second Line of Defence (2LOD Risk and Compliance Function), ensure that all CR&E risks are identified, assessed, measured, monitored, managed, and properly reported on by the relevant Business Units from across the Bank.

As the Third Line of Defence (3LOD), Group Internal Audit provide 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, in relation to CR&E risk.

Regulatory Compliance Framework
The Regulatory Compliance Framework supports the Bank in achieving its strategic priorities while managing regulatory compliance risks within the Board-approved Regulatory Compliance Risk Appetite. In addition, it sets out how the Bank manages current and emerging Regulatory Compliance Risk (including CR&E risk) and details the key principles, objectives, and primary components of PTSB's approach to Regulatory Compliance Risk Management and sets out Regulatory Compliance Risk Management responsibilities across the 3LOD Model.

To ensure the effective implementation of the Regulatory Compliance Framework, the Bank continues to engage with external information sharing forums, including the Banking and Payments Federation of Ireland (BPFI), through which it shares and receives information related to Regulatory Compliance Risk trends and threats and evolving industry best practice.

Risk and Control Self-Assessment (RCSA)
The RCSA is one type of formal assessment of the risks and the effectiveness of the controls to manage these risks, including those aligned to the CR&E Risk Categories.

Task Force on Climate-related Financial Disclosures
(continued)

The RCSA process supports the monitoring of CR&E risk within selected Business Units. Business Units are required to review the accuracy and completeness of these risks and mitigating controls on an on-going basis and report their test results periodically.

Climate-related Stress Testing
The Bank previously conducted a high-level climate stress test and sensitivity analysis leveraging the macroeconomic and Climate Scenarios Framework used as part of the ECB Climate Stress Test (2022), with a primary focus on the Bank's most material Portfolio (Retail Mortgages).

Capital and Liquidity
The Bank integrates consideration for CR&E risk into its ICAAP and ILAAP, with a focus on iteratively improving through each risk cycle.

During 2024, CR&E risk was measured as part of the Bank's Operational and IT Risks Pillar 2 Internal Capital Adequacy Assessment (ICAAP). A CR&E Physical Risk Scenario was developed consisting of two sub-scenarios: a typical disruption due to a red weather warning, and a severe disruption due to severe flooding at multiple locations. The output indicated significant disruption of the Bank's business as usual activities, due to an external event caused by climate changes, resulting in financial loss, customer detriment, reputational damage and regulatory sanctions.

In addition, a credit sensitivity analysis was conducted on the Bank's Retail Mortgage Portfolio based on segmenting the Portfolio in respect to Transition and Physical Risk rating. At this time, this has not resulted in a material adjustment to the Bank's financial position.

CR&E risk will continue to be embedded and matured as part of future ICAAP iterations.

Furthermore, a CR&E Risk Qualitative Assessment on ILAAP risks was produced for ILAAP 2024. The purpose of this exercise was to identify what the impacts of Physical and Transition Risk could be on the Liquidity and Funding Risk. This serves as a fundamental first step for future integration of CR&E risk into the Bank's ILAAP process and will be developed further in future iterations.

Horizon Scanning and Information Sharing
As part of the Bank's ongoing assessment of CR&E risk, the Bank is a member of information sharing forums, including the BPFI, Central Bank of Ireland's (CBI's) Climate Risk Forum, the Sustainable and Responsible Investment Forum and the National Climate Stakeholder Forum, through which it shares and receives information related to the latest Climate Risk trends and threats and gets insight into evolving industry best practices.

The Bank monitors regulatory changes and guidance, including from the CBI and ECB.

B. Processes for managing climate-related and environmental risks.

The management of CR&E 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.

CR&E Risk Integration
The management of CR&E risk within each of the individual ERMF Key Risk Categories is a key area of focus for the Bank.

The CBI requested individual Lesser Significant Institutions (LSIs) to submit a Board approved comprehensive plan by June 2022 on how the Bank plans to address supervisory expectations in relation to CR&E risk. In line with this request, the Bank submitted its CR&E Risk Implementation Plan within the required timeline, and throughout 2022 and 2023 deployed resources to ensure its implementation.

During the first half of 2024, the Plan was formally closed in line with agreed timelines marking the formalisation of CR&E risk integration across the Bank in line with regulatory expectations. Following closure of the Plan, an ESG Risk Strategy was developed as part of the work of the ESG Risk Management Workstream under the Sustainability Programme. The Strategy builds upon the progress made integrating CR&E risk across the Bank through the CR&E Risk Implementation Plan and is aligned to regulatory expectations.

The Bank has established strong governance of CR&E risk through the creation of SusCo, which operates as a sub-committee of the ExCo; updated BRCC Terms of Reference (ToR) to include CR&E Risk considerations, formalisation of a CR&E risk definitions and the introduction of a CR&E RMF.

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

Policies & Frameworks
The Bank considers ESG factors per loan origination guidance in Credit Risk assessments on the Business Banking Portfolio. For the Retail Portfolio, new Mortgage applications are required to capture the BER and have to provide evidence of flood insurance.

A Regulatory Compliance Framework is in place which sets out how the Bank manages current and emerging Regulatory Compliance risks and upstream analysis is completed in the Bank's Upstream Regulatory Registry to identify upcoming regulatory requirements with which the Bank must comply.

Risk Register
The Risk Register contains the details of current and emerging risks from each of the Group Risk functions, including CR&E risk, utilising the 'top down' Risk Identification and 'bottom up' RCSA processes which form the basis of the Bank's Top 10 and Emerging Risks Report.

Risk Appetite
Risk Appetite is set by the Board and represents the level and nature of risk (within the Risk Categories) that the Bank is willing to accept in pursuit of its strategic objectives. A qualitative CR&E Risk Appetite Statement has been included in the Bank's Risk Appetite Statement confirming that the Bank's appetite for CR&E risk is 'Medium', reflecting the cross-cutting nature of this risk and the Bank's existing risks. Through the delivery of the CR&E Risk Implementation Plan, CR&E metrics have been designed including those related to Credit Risk, which are being monitored monthly, Financial, which are being monitored quarterly and Operational and IT Risk, which has been integrated into the regular tracking and reporting process.

Business Continuity Management (BCM)
The Bank has in place a BCM Plan that considers adverse weather conditions that may, in some cases, cause a reduction in operational capacity.

Physical Risk Analysis
The Bank has progressed Physical Risk analysis in the Lending Portfolio. The Bank has utilised publicly available flood mapping data, taken from the Office of Public Works (OPW), to carry out analysis on the Retail Mortgage Lending Portfolio to identify areas of Physical Risk.

The Bank has also sourced data from an external data provider to further enhance mapping and assessing of CR&E risk impact. This has enabled and will continue to support the progression of CR&E analysis with the most accurate and up to date CR&E risk view in our Lending Portfolio.

For Ireland, these risk types correspond to coastal erosion and fluvial and pluvial flood risk. The Bank has mapped property in the PTSB Retail Mortgage Portfolio into relevant segments based on defined flood risk scores and corresponding risk thresholds. This forms part of the relevant CR&E risk metrics incorporated within standard monthly reporting processes as further data requirements are developed.

C. Integration of processes for identifying, assessing and managing climate-related and environmental risks into overall risk management.

CR&E risk issues are integrated across all governance mechanisms through delivery of the Board approved ESG Risk Workstream. A CR&E RMF has also been developed that is linked to the ERMF.

CR&E Risk as a Key Risk
CR&E risk is included as a Key Risk Category within the ERMF and has two sub-risk categories of Physical Risk and Transition Risk. Over the last year, the Bank has continued to integrate CR&E risk into the Bank through a suite of supporting documentation, such as, the ERMF, the CR&E Risk Framework and associated Frameworks and Policies. The supporting documentation describes the activities required to support the ongoing risk management process, and to promote a comprehensive and consistent approach to risk management across the Bank.

Materiality Assessment
As outlined above, a refreshed CR&E Risk Materiality Assessment was conducted that adopted a transmission channel lens, including forward-looking analysis and consideration for plausible climate futures. The aim of this assessment was to further understand the impact of CR&E risk (Physical and Transition Risk) on the Bank's existing Risk Categories in the ERMF.

The outputs of this assessment identified several Physical and Transition Risk transmission channels as material, including a number within the Key Risk Categories of Credit Risk, Compliance Risk, Reputation and Conduct Risk and Business Risk. Where possible, quantitative analysis was completed and will be used to drive further risk management enhancements.

Review of Policies:
The allocation of roles and responsibilities across the 3LOD are clearly set out within the CR&E RMF.
Priority Policies have been identified for consideration of CR&E risk enhancements, with further updates to follow as part of the Bank's Policy Review Cycle.

Monitoring of CR&E risk requirements will continue in business as usual as both, CR&E risk, and the Bank's own risk management processes evolve.

Metrics and Targets

TCFD recommended disclosure: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

A. Metrics used to assess climate-related and environmental risks and opportunities in line with strategy and risk management process.

PTSB has a suite of Credit Risk-related metrics that are in place and being monitored monthly covering Data, Physical and Transition Risk. In addition, two Board-level Key Performance Indicators (KPIs) related to CR&E risk factors were developed as part of the CR&E Risk Implementation Plan. These KPIs aim to enhance the monitoring and oversight capacity of the Board in relation to CR&E risk factors, such as Financed Emissions.

PTSB's focus is on continuing to disclose transparently with a commitment to measuring and managing the carbon impact of our operations and lending portfolio.

We measure our carbon emissions across Scope 1, 2 and 3 using the Greenhouse Gas (GHG) Protocol. In the measurement of Scope 3 Category 15 – Investments (our financed emissions) we used the Partnership for Carbon Accounting Financials (PCAF), Financed Emissions Standard.

Scope 1 includes direct GHG emissions from sources that are owned or controlled by the Bank, such as natural gas combustion and company owned vehicles.

Scope 2 accounts for GHG emissions from the generation of purchased electricity, heat and steam generated off-site. The emissions are reported using both a location-based and a market-based method.

Scope 3 includes all the Bank's other indirect emissions: Purchased Goods and Services, Capital Goods, Other Fuel and Energy, Transportation and Distribution, Waste, Business Travel, Employee Commuting (including home working) and Investments (financed emissions).

Scope 3 categories which have been deemed immaterial to the Bank include Leased Assets, Processing of Sold Products, Use of Sold Products, End-of-Life Treatment of Sold Products and Franchises. These categories will be monitored annually to ensure that they remain immaterial.

B. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

A breakdown of our carbon impact across Scope 1, 2 and 3 can be found below:

Emissions	2023 tCO2e	2024 tCO2e
Scope 1	841	882
Scope 2 (Location-based value)	2,217	1,714
Scope 2 (Market-based value)	0	0
Scope 3	295,820	301,479
Total (Location-based value)	298,878	304,075
Total (Market-based value)	296,661	302,361

Scope 3 emissions breakdown	2023 tCO2e	2024 tCO2e
Purchased Goods and Services	19,117	19,586
Capital Goods	662	869
Other Fuel & Energy	335	317
Upstream Transportation and Distribution	1,827	838
Waste	7	2
Business Travel	167	272
Employee Commuting	5,840	6,024
Investments - Financed Emissions	267,865	273,571

Intensities	2023 tCO2e	2024 tCO2e
Scope 1 & 2 (Location-based value) tCO2e/FTE	0.92	0.88
Scope 1 & 2 (Market-based value) tCO2e/FTE	0.25	0.24
Total (Location-based value)/€million Revenue	343.54	303.47
Total (Market-based value)/€million Revenue	340.99	301.76

Notes:
- Total Scope 1, 2, and 3 GHG emissions were previously reported as 345,093 tCO_2e in the PTSB Annual Report 2023. The revision in the figure is due to refinements in data quality and accuracy used in calculating the mortgage portfolio financed emissions.
- Data was calculated using The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition, ('GHG Protocol') methodology and Partnership for Carbon Accounting Financials (PCAF) Financed Emissions Standard.
- Emission factors were sourced from DEFRA's Greenhouse gas reporting: conversion factors 2024, the Commission of Utilities (CRU) 2023, Carbon Cube, Climatque and Motorcheck.ie.
- The CarbonCube® uses procurement spend data to calculate carbon emissions. Spend data is categorised, and emissions factors are matched to the categorised spend to calculate emissions. This data can then be enhanced over time with supplier-specific data, as it becomes available.
- We adopt the operational control approach on reporting boundaries. In 2024, the data covers 100% of our operations in the Republic of Ireland.
- All 15 categories of Scope 3 emissions were evaluated, and material categories have been disclosed.
- Category 15 includes the Bank's Retail and Commercial Mortgage Portfolio and Asset Finance Motor Vehicle Loans for Personal and Business Banking customers. Mortgage Portfolio emissions are calculated as a product of Carbon Intensity*LTV*Floor Area. LTV is calculated as (Accumulated Balance Amount)/(Original Value Amount), generating a value between 0 and 1. Asset Finance Motor Vehicle Loan emissions are calculated as a product of attribution factor*distance travelled*CO_2 Emissions. Attribution factor is calculated as (Outstanding Amount / Total value at origination), generating a value between 0 and 1.
- Data is subject to estimation and there exists limitations of the accuracy of the data as an input to the estimate. Our approach will continue to evolve in line with industry developments and as data quality improves.
- Figures are rounded.

Scope 1 and 2
During 2024, we continued to make progress in reducing our Scope 1 and 2 carbon emissions. This has been achieved through the procurement of 100% energy certified as renewable from our electricity providers, efficiencies in energy use by the business through initiatives aimed at reducing our carbon footprint and the impacts of hybrid working with 68% of our organisation now availing of our smarter working options.

Our absolute carbon emissions have decreased by 15% since 2023 (using Scope 2 location-based values).

Scope 3
As part of our ongoing commitment to reduce our carbon footprint, during 2024, we progressed our data collection processes for our Scope 3 emissions. Through our partnership with Efficio, we have used the CarbonCube® spend based carbon footprint calculator, refining the methodology of calculating emissions through detailed classification of spend categories for Purchased Goods and Services, Capital Goods, Upstream Transportation and Distribution and Business Travel.

For emissions associated with Waste and Water, activity data provided directly from our suppliers is used to calculate emissions. For Employee Commuting, an employee survey is used to gather responses on our colleagues commuting and work from home habits.

Scope 3 – Financed Emissions

Mortgage Portfolio
Over the past number of years, the Bank has been reporting on its Mortgage Portfolio emissions. Throughout 2024, this process was streamlined, and further data enhancements have led us to recalculate our Mortgage Portfolio emissions which constituted 93% of the Bank's total Loan Book as of 31 December 2024.

To calculate emissions associated with the Mortgage Portfolio, the Bank used available BER codes that have a kg CO2e/m2 identified, currently c.22%. To address the gap, a BER proxy process was developed to estimate the BER rating where no valid BER certificate was available.

This process relies on identifying the property location by matching property addresses to Eircodes and available collateral characteristics (age, dwelling type, heating fuel type and location) to estimate BERs and kg CO2e/m2.

The proxy methodology stems from the creation of a Lookup Table which is generated using the data sourced externally from the Sustainable Energy Authority of Ireland (SEAI), which contains a complete list of c. 1.2m properties from the national distribution. This Lookup Table contains averaged ratings across key characteristic variables present in both datasets. These averages are what are used to fill in the blanks of unknown data points within the mortgage book and are extrapolated to generate the Financed Emissions estimate.

Using the standards set by the Partnership for Carbon Accounting Financials (PCAF), the emissions are calculated as follows:

Financed Emissions = Σ(Attribution Factor x Buildings Emissions)

This process resulted in a total estimate for Scope 3 Financed Emissions for the Retail Mortgage Portfolio of 252,817 tCO2e and Commercial Mortgages of 3,677 tCO2e for 2024, resulting in a 4% reduction in absolute emissions since 2023.

We are committed to continually improving data quality over time and will disclosure transparently on any changes in methodologies or emissions.

Asset Finance Portfolio – Motor Vehicle Loans
To calculate emissions associated with the Motor Vehicle Loans, the Bank sourced CO2 values for each vehicle measured in grams per kilometre (g/km) and the average kilometres travelled in the year (segmented by vehicle and fuel types) from external sources, currently for 60% of the motor vehicle exposure. A proxy value was then used to estimate the emissions for the remaining 40% of the Portfolio.

The Bank's financed emissions are calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF). We are committed to continually improving data quality over time and will disclosure transparently on any changes in methodologies or emissions.

This process resulted in a total estimate for Scope 3 Financed Emissions for Asset Finance Motor Vehicle Loans of 17,077 tCO_2e for 2024.

C. Targets used to manage climate-related and environmental risks and opportunities and performance against targets.

Science Based Targets (SBTs)
PTSB deepened our commitment to long-term sustainability and committed to new climate action goals by signing Phase 2 of Business in the Community Ireland's Low Carbon Pledge. The refreshed Pledge focuses on setting carbon emissions reduction targets based on science and includes measuring and reducing our carbon footprint in line with the Paris Agreement and the latest Intergovernmental Panel on Climate Change (IPCC) findings.

The Science Based Target Initiative (SBTi) provide a pathway for companies to reduce greenhouse gas emissions, aiming to mitigate the severe impacts of climate change while ensuring sustainable business growth. Targets are deemed 'science-based' when they align with the latest climate science necessary to limit global warming to 1.5°C above pre-industrial levels, as outlined in the Paris Agreement.

Following a significant programme of work, during 2024 the Bank worked to develop our SBTs in line with the SBTi's Version 2 Guidance for Financial institutions. The work included the development of a corresponding Carbon Reduction Plan to support us in achieving our Targets once set. The Targets and Plan will be submitted to the SBTi during Q1 2025 for validation. We will communicate our Targets once the validation process reaches completion.

Remuneration
At present, the Bank does not have in place a Variable Pay Scheme (outside of commission-based scheme in place in our Retail Banking Network), and therefore does not currently have a mechanism to directly link Executive pay to sustainability outcomes.

Under the leadership of the Chief Sustainability and Corporate Affairs Officer, a Head of Sustainability and supporting team are in place to manage and deliver the Bank's Sustainability Strategy. Similarly, under the leadership of the Chief Risk Officer, an Enterprise Risk Management Team and a Climate Risk Manager are in place to manage and deliver all CR&E risk programming.

Specific objectives aligned to the Bank's overall Sustainability Strategy are included within team member objectives, depending on their role within the function. Delivery of objectives is assessed through a formal performance review process that occurs at regular intervals throughout the year. Delivering on strategy, as well as the overall performance in the role, impacts the level of monetary base pay increase achieved.

The Bank is at an advanced stage of design of an enterprise-wide Variable Pay Scheme. This Scheme will include the delivery of sustainability factors as a key metric in determining the appropriate reward on a collective and individual basis, Further information on the structure of the Scheme will be included in future TCFD Reports as the detail becomes available.

Financial Statements

Independent Auditor's Report to the Members of Permanent TSB Group Holdings plc

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Permanent TSB Group Holdings plc ('the Company' or 'PTSB') and its consolidated undertakings ('the Group') for the year ended 31 December 2024 set out on pages 300 to 408, contained within the reporting package 635400DTNHVYGZODKQ93-2024-12-31-0-en.zip, which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows, company statement of financial position, company statement of changes in equity, company statement of cash flows and related notes, including the Group's material accounting policies set out in note 1 and the Company's material accounting policies set out in Note A on page 406. Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are incorporated in the financial statements by cross-reference and are identified as audited.

The financial reporting framework that has been applied in their preparation is Irish Law, including the Commission Delegated Regulation 2019/815 regarding the single electronic reporting format (ESEF) and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the Group and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Board Audit Committee ('BAC').

We were appointed as auditor by the Board of Directors on 19 May 2023. The period of total uninterrupted engagement is the two years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to public interest entities. No non-audit services prohibited by that standard were provided.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating management's assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting. In our evaluation of management's conclusions, we considered the inherent risks to the Group's and Company's business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group and Company's available financial resources over this period were:
  - the availability of funding and liquidity in the event of a market-wide stress scenario; and
  - the impact on regulatory capital requirements in the event of an economic slowdown or recession.
- We also considered whether these risks could plausibly affect the availability of financial resources in the going concern period by comparing severe, but plausible, downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In relation to the Group and the Company's reporting on how they have applied the UK Corporate Governance Code and the Irish Corporate Governance Annex, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

KPMG, an Irish partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the Group's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors and Group Internal Audit ("GIA") and inspecting policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the Group's channel for "whistleblowing", as well as whether the directors and GIA have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors and GIA regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the Group's regulatory and legal correspondence.
- Reading Board and Board Audit Committee minutes and where relevant, sub-Committee minutes.
- Considering remuneration incentive schemes and performance targets for management and executive directors.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing said disclosures to supporting documentation when necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. On this audit we do not believe there is a fraud risk related to revenue recognition. We identified a fraud risk in respect of model adjustments involving management judgement relating to the Group's impairment loss allowances on loans and advances to customers.

Further detail in respect of model adjustments involving management judgement relating to the Group's impairment loss allowance is set out in the key audit matter disclosures in this report.

In response to the fraud risks, we also performed procedures including:

- Based on risk criteria, identifying journal entries and other adjustments to test and comparing the identified entries to supporting documentation;
- Assessing significant accounting estimates for bias; and
- Assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify such irregularities.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

Independent Auditor's Report to the Members of Permanent TSB Group Holdings plc
(continued)

Group key audit matters
Impairment allowances on loans and advances to customers at amortised cost, including off- balance sheet elements (€392m (2023: €570m))

Refer to pages 314 to 316 (accounting policy) and pages 348 to 352 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The calculation of expected credit losses ("ECLs") requires a high degree of judgement to reflect recent developments in credit quality, arrears experience and/or emerging macroeconomic risks. The key areas where we identified significant management judgement and therefore increased levels of audit focus in the Group's estimation of ECLs include but are not limited to: **1. Impairment loss allowance under IFRS 9 - accuracy of modelled ECL estimate:** The calculation of expected credit losses uses complex and inherently judgemental modelling techniques. ECLs may be inappropriate if certain models or underlying assumptions do not accurately predict defaults or recoveries over time, become out of line with wider industry experience, or fail to reflect the credit risk of financial assets. As a result of these factors, we have identified a significant risk of error arising from complexity, estimation uncertainty in certain models and underlying assumptions. Furthermore, these models are one of the key drivers of the complexity and estimation uncertainty in the ECL estimate and resulted in an enhanced audit effort.	1. Impairment loss allowance under IFRS 9 - accuracy of modelled ECL estimate: We performed end-to-end process walkthroughs to identify the key systems, applications and key controls used in the impairment loss allowance modelling processes. In conjunction with our credit modelling specialists, we tested the design, implementation and operating effectiveness of key controls, including controls over model validation, model monitoring and controls over significant model inputs and outputs. In conjunction with our credit modelling specialists, we challenged the model development, validation and impairment teams through inquiry and inspection of the Company's policies and standards of these functions, to assess the appropriateness of the models used by the Company. We tested the completeness and accuracy of identified critical data elements used within the ECL models. In conjunction with our credit modelling specialists, we independently re-performed testing over key aspects of the models underlying the calculation of ECLs, including: • Re-performance of ECL execution for a selection of ECL models using PTSB's statistical analysis system (SAS); • Independent rebuild and replication testing of the IFRS 9 secured PD model, and • Inspected model validation and model monitoring reports to assess whether the findings have been appropriately considered, addressed by management and included in the model adjustments involving management judgement as relevant.
2. Impairment loss allowance under IFRS 9 - model adjustments involving management judgement: Model adjustments involving management judgement ("Model adjustments") are raised by management to address known impairment model limitations or emerging trends. We identified a significant risk of error and fraud associated with the valuation of those model adjustments with the greatest degree of management judgement. Model adjustments represent approximately 35% of the ECL. These adjustments are inherently uncertain and significant management judgement is involved in estimating certain model adjustments and management overlays.	**2. Impairment loss allowance under IFRS 9 - model adjustments involving management judgement:** We performed end-to-end process walkthroughs and tested the design, implementation and operating effectiveness of the key controls over the identification, calculation, review and authorisation of model adjustments. In conjunction with our credit modelling specialists, we evaluated the conceptual soundness of certain model adjustments by critically assessing management's methodology, including the limitation and/or risk that those model adjustments are seeking to address, and the model adjustments' compliance with the requirements of IFRS 9. We inspected the model adjustments calculation methodology and tested the completeness and accuracy of key relevant data inputs into the model adjustment calculation. We tested the completeness and accuracy of the model adjustments having regard for the risk profile of the loan books, as well as known model limitations, and by challenging management on their significant assumptions relating to the credit risk impact of prevailing macroeconomic uncertainty such as unemployment and inflation. We challenged the overall reasonableness of the model adjustments by comparing the model adjustments recognised by management to the model limitations and/or data limitations that we consider to exist in the portfolio. We performed benchmarking analysis with peer banks over ECL coverage levels and we assessed whether any model adjustments identified for testing are indicative of fraud, management bias or other deficiencies.

The key audit matter	How the matter was addressed in our audit
3. Impairment loss allowance under IFRS 9 - economic scenarios: Economic scenarios have a direct impact on the loan staging classification and the resultant ECL. Significant management judgement is applied to the determination of the economic scenarios and the weightings applied to them. We have identified a significant risk of error with respect to management judgement relating to the selection of scenarios, the associated scenario probabilities and the material economic variables which drive the scenarios and the related weightings. For the reasons outlined above the engagement team determine this matter to be a key audit matter.	**3. Impairment loss allowance under IFRS 9 - economic scenarios:** We performed end-to-end process walkthroughs and tested the design, implementation and operating effectiveness of the key controls related to the estimation of macroeconomic forecasts used in measuring ECL including the economic scenarios and probability weightings applied to them. In conjunction with our economics specialist, we challenged management and management's specialists and inspected related documentation to assess whether the basis for significant management assumptions and judgements are reasonable and consistent with independent consensus forecasts. In conjunction with our economics specialist, we challenged and assessed the plausibility of the significant assumptions underpinning PTSB's economic scenarios which have been identified as GDP, unemployment, House Price Index ('HPI'), Consumer Price Index ('CPI') and ECB rates by comparing to independent and observable economic forecasts, leveraging a number of external data points. We involved our economic specialist to assist in assessing the appropriateness of the Company's methodology for determining the economic scenarios used and the probability weightings applied to them. We challenged whether management's forward- looking information incorporated within the Group's upside and downside scenarios were reasonable, having regard to all available information at year- end. We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. In addition, we assessed whether the disclosure of the significant judgements and assumptions was sufficiently clear. **Our results:** We found the significant judgements used by management in determining the impairment loss allowance and current year release, including the accuracy of modelled ECL estimates, application of model adjustments and economic scenarios to be reasonable.

Company key audit matter
Impairment evaluation of the investment by PTSB Company-only in PTSB plc (€2.08bn (2023: €2.35bn))

Refer to page 332 (accounting policy) and page 407 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
The PTSB Company-only Balance Sheet includes a €2.08 billion investment in PTSB plc at 31 December 2024. The Company carries its investment in its subsidiary undertaking at cost and reviews whether there is any indication of impairment at each reporting date. Impairment testing involves comparing the carrying value of the investment to its recoverable amount. The recoverable amount is the higher of the investment's fair value or its value-in- use (VIU). The recoverable amount at 31 December 2024 is based on the VIU of the subsidiary investment which exceeds market capitalisation. Given the inputs used in arriving at the VIU, there is a degree of judgement involved in estimating the value of the underlying business at 31 December 2024. As a result of the subjectivity involved in the VIU estimation and its significance and magnitude to the Company, the engagement team consider this to be a significant risk due to error as well as a key audit matter.	Our audit procedures included performing an end- to-end process walkthrough over the impairment assessment carried out by management over the carrying value of the investment. We assessed the design and implementation of controls of management's annual impairment review over the Investment in subsidiary; We challenged management's impairment assessment and supporting calculations relating to the Investment in subsidiary; We independently recalculated the fair value less cost of disposal of the Investment in subsidiary; We challenged the appropriateness of the discounted cash flow valuation method applied, reasonability of forecasted free cash flows and other key relevant data inputs used and appropriateness of discount rate applied which forms part of management's calculations; We assessed the relevant macroeconomic assumptions underlying the relevant forecasts in the context of economic consensus and for alignment with Group's Medium Term Plan ('MTP') and other accounting estimates used by the Group; We challenged the significant assumptions underpinning the MTP forecasts used in the VIU calculation for reasonableness by benchmarking to observable market data, actual performance of the Company and via corroborating discussions with management; We challenged management's use of selected discount rate, growth rate, free-cash flows and data inputs with the assistance of our Corporate Finance Specialists; We performed a retrospective review of PTSB plc's FY2024 results compared to the prior year VIU forecasts; We assessed the adequacy of the financial statement disclosures in respect of the investment in the Company-only financial statements. **Our results:** Based on procedures we performed, we considered the methods and assumptions relating to the impairment of investment in PTSB plc to be reasonable. The final impairment of €263m has been recorded in the Company-only financial statements.

Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements and Company financial statements as a whole was set at €20m (2023: €12m), determined with reference to benchmark of net assets (of which it represents 0.8% (2023: 0.5%)).

We consider net assets to be the most appropriate benchmark given the volatility in profit or loss arising over recent years driven by certain exceptional activities and recent instability in the economic environment. Moreover, we believe that net assets, rather than profitability, provides us with a more appropriate and consistent year-on-year basis for determining materiality. In applying our judgement in determining materiality, we considered a number of factors which had the most significant impact were: the ownership structure of the Group and Company, Debt arrangements, our understanding of the Group and Company and its environment; and earnings sensitivities.

Performance materiality for the Group financial statements and Company financial statements as a whole was set at €15m (2023: €9m), determined with reference to benchmark of net assets (of which it represents 75% of materiality (2023: 75%)). We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. In applying our judgement in determining performance materiality, we considered a number of factors, including the number and value of misstatements detected and the number and severity of deficiencies in control activities identified in the prior year financial statements audit.

We reported to the Board Audit Committee any corrected or uncorrected identified misstatements exceeding €1m (2023: €600k), in addition to other identified misstatements that warranted reporting on qualitative grounds.

We applied materiality in planning and performing the audit to assist us in the following:

- Determining the overall audit strategy, including identifying the significant risks and procedures to be performed.
- Evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Our audit was undertaken to the materiality and performance materiality level specified above and was all performed by a single engagement team in Dublin.

Other information

The directors are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report and the non-financial statement included on the Company's website at www.permanenttsb.ie and the Strategic Report set out on pages 2 to 32, the unaudited sections of the Risk Management Report set out on pages 33 to 66, the Directors' Report set out on pages 68 to 73, the Corporate Governance Statement set out on pages 74 to 124 and the parts of 'Other Information' on pages 410 to 421 labelled 'unaudited'.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit we report that, in those parts of the directors' report specified for our consideration, which does not include the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, those parts of the directors' report specified for our review, which does not include sustainability reporting when required by Part 28 of the Companies Act 2014, have been prepared in accordance with the Companies Act 2014.

Independent Auditor's Report to the Members of Permanent TSB Group Holdings plc
(continued)

Corporate governance statement
We have reviewed the directors' statement in relation to going concern, longer-term viability, that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review by the Listing Rules of Euronext Dublin and the UK Listing Authority.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 68;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 68;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 68;
- Directors' statement on fair, balanced and understandable and the information necessary for shareholders to assess the Group's position and performance, business model and strategy set out on page 130;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated set out on page 68;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 97 and 98; and;
- Section describing the work of the Board Audit Committee set out on page 105.

The Listing Rules of Euronext Dublin also requires us to review certain elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee.

We have nothing to report in this regard.

In addition as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Statement on pages 74 to 124, that:

- based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process, and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/EC) Regulations 2006 and specified for our consideration, is consistent with the financial statements and has been prepared in accordance with the Act;
- based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information; and
- the Corporate Governance Statement contains the information required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017.

We also report that, based on work undertaken for our audit, the information required by the Act is contained in the Corporate Governance Statement.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified
We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

We have nothing to report on other matters on which we are required to report by exception
The Companies Act 2014 requires us to report to you if, in our opinion:

- the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made;
- the Company has not provided the information required by Section 1110N in relation to its remuneration report for the financial year 31 December 2023;
- the Company has not provided the information required by section 5(2) to (7) of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 for the year ended 31 December 2023 as required by the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) (amendment) Regulations 2018.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 130, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the- financial-statements/.

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

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Frank Gannon
for and on behalf of KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
D01 F6F5

3 March 2025

Consolidated Income Statement

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Interest income calculated using the effective interest rate method	4	870	766
Other interest income	4	29	12
Interest income		899	778
Interest expense	4	(287)	(158)
Net interest income		612	620
Fee and commission income	5	98	86
Fee and commission expense	5	(43)	(44)
Net fee and commission income		55	42
Net trading income	6	2	3
Net other operating income		3	3
Total operating income		672	668
Administrative, staff and other expenses (excluding exceptional items)	7	(419)	(378)
Bank levy and other regulatory charges	8	(33)	(60)
Depreciation of property and equipment	23	(29)	(27)
Amortisation of intangible assets	24	(62)	(40)
Exceptional items			
Restructuring and other costs	9	(2)	(2)
Costs incurred in relation to the Ulster Bank transaction	9	-	(31)
Total operating expenses		(545)	(538)
Operating profit before credit impairment and taxation		127	130
Credit Impairment			
Loans and advances to customers	21	30	(56)
Exceptional impairment arising from deleveraging of loans	9	2	5
Total credit impairment write-back/(charge)		32	(51)
Operating profit before taxation		159	79
Taxation	10	3	(11)
Profit for the year		162	68
Attributable to:			
Equity holders of the parent		119	25
Other equity holders*		43	43

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

Earnings per ordinary share		€ Cent	€ Cent
Basic earnings per share of €0.5 ordinary share	11	21.7	4.5
Diluted earnings per share of €0.5 ordinary share	11	21.7	4.5

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Profit for the year		162	68
Items that will not be reclassified to the income statement in subsequent periods			
Fair value reserve (equity instruments)			
Change in fair value of equity instruments	18	4	5
Tax relating to fair value of equity instruments	10	(1)	(2)
Revaluation of property	23	(11)	(12)
Tax relating to revaluation of property	10	4	5
Other comprehensive (expense), net of tax		(4)	(4)
Total comprehensive income for the year, net of tax		158	64
Attributable to:			
Equity holders of the parent		115	21
Other equity holders*		43	43

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

Consolidated Statement of Financial Position
As at 31 December 2024

	Note	31 December 2024 €m	31 December 2023 €m
Assets			
Cash at bank	12	72	71
Items in the course of collection	12	23	40
Loans and advances to banks	13	2,202	2,051
Derivative financial instruments	14	59	36
Other assets	15	7	60
Assets classified as held for sale	16	12	12
Debt securities	17	4,327	3,256
Equity securities	18	9	5
Prepayments and contract assets	19	63	80
Loans and advances to customers	20	21,423	21,427
Interest in associated undertakings	22	21	16
Property and equipment	23	183	205
Intangible assets	24	213	187
Deferred taxation	25	316	309
Current tax asset		2	-
Total assets		28,932	27,755
Liabilities			
Deposits by banks	26	105	398
Customer accounts	27	24,120	22,966
Derivative financial instruments	14	-	1
Debt securities in issue	28	1,731	1,512
Other liabilities	29	129	148
Accruals		12	13
Current tax liability		-	1
Provisions	30	46	40
Subordinated liabilities	31	257	257
Total liabilities		26,400	25,336
Equity			
Share capital	33	272	273
Share premium	33	804	804
Other reserves	33	(813)	(810)
Retained earnings	33	1,901	1,784
Shareholders' equity		2,164	2,051
Other equity instruments	33	368	368
Total equity		2,532	2,419
Total liabilities and equity		28,932	27,755

On behalf of the Board:

Julie O'Neill
Chairperson

Eamonn Crowley
Chief Executive

Barry D'Arcy
Chief Financial Officer

Conor Ryan
Company Secretary

Consolidated Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital €m	Share premium €m	Revaluation reserve* €m	Fair value reserve* €m	Other capital reserve* €m	Retained earnings €m	Attributable to equity holders of the parent €m	Other equity instrument €m	Total €m
Balance at 1 January 2023	273	804	49	16	(856)	1,744	2,030	368	2,398
Profit for the year	-	-	-	-	-	25	25	43	68
Other comprehensive income, net of tax (note 34)	-	-	(7)	3	-	-	(4)	-	(4)
Total comprehensive income/(expense) for the period	-	-	(7)	3	-	25	21	43	64
Transactions with owners, recorded directly in equity:									
Contributions by and distributions to owners									
AT1 coupon paid (note 33)	-	-	-	-	-	-	-	(43)	(43)
Reclassification of cumulative gain (net of tax) of equity instruments on disposal	-	-	-	(15)	-	15	-	-	-
Total contributions by and distributions to owners	-	-	-	(15)	-	15	-	(43)	(43)
Balance as at 31 December 2023	273	804	42	4	(856)	1,784	2,051	368	2,419
Balance at 1 January 2024	273	804	42	4	(856)	1,784	2,051	368	2,419
Profit for the year	-	-	-	-	-	119	119	43	162
Other comprehensive income, net of tax (note 34)	-	-	(7)	3	-	-	(4)	-	(4)
Total comprehensive income/(expense) for the period	-	-	(7)	3	-	119	115	43	158
Transactions with owners, recorded directly in equity:									
Contributions by and distributions to owners									
Buyback of ordinary shares	(1)	-	-	-	1	(2)	(2)	-	(2)
AT1 coupon paid (note 33)	-	-	-	-	-	-	-	(43)	(43)
Reclassification of cumulative gain (net of tax) of equity instruments on disposal	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	(1)	-	-	-	1	(2)	(2)	(43)	(45)
Balance as at 31 December 2024	272	804	35	7	(855)	1,901	2,164	368	2,532

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

Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	31 December 2024 €m	31 December 2023 €m
Cash flows from operating activities		
Operating profit before taxation	159	79
Adjusted for non-cash items and other adjustments:		
Depreciation, amortisation and impairment of property, equipment and intangibles	91	67
Impairment (write-back)/charge on:		
- Loans and advances to customers	(32)	45
Other income	(1)	(2)
Other mortgage related adjustments	70	67
Other provisions	10	6
Net interest income*	221	115
Other non-cash items*	(63)	(34)
	455	343
(Increase)/decrease in operating assets:		
Derivative financial instruments	(13)	(15)
Other assets	67	10
Debt securities	35	57
Prepayments and contract assets	13	131
Loans and advances to customers	(26)	(371)
Increase/(decrease) in operating liabilities:		
Deposits by banks (including central bank)	(316)	(251)
Customer accounts	1,010	1,135
Debt securities in issue	99	769
Derivative financial instruments	(1)	-
Other liabilities and accruals	(29)	13
Provisions	(8)	(41)
	831	1,437
Net cash inflow from operating activities before tax	1,286	1,780
Tax paid	(4)	(7)
Net cash inflow from operating activities	1,282	1,773
Cash flows from investing activities		
Maturities of debt securities - HTC	170	728
Purchase of debt securities - HTC	(1,212)	(827)
Purchase of property and equipment	(15)	(24)
Purchase of intangible assets	(26)	(37)
Cash transferred for business combinations	-	(41)
Forward contract derivatives	-	(1,595)
Investment in associated undertakings	(3)	(7)
Sale of Visa shares	-	30
Net cash flows from investing activities	(1,086)	(1,773)

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2024

	31 December 2024 €m	31 December 2023 €m
Cash flows from financing activities		
Buyback of ordinary shares	(2)	-
Payment of lease liabilities	(7)	(7)
AT1 coupon payment	(43)	(43)
Interest paid on T2 capital notes	(8)	(8)
Interest paid on T2 hedging derivative	(1)	(1)
Net cash flows from financing activities	(61)	(59)
Increase/(decrease) in cash and cash equivalents	135	(59)
Analysis of changes in cash and cash equivalents		
Cash and cash equivalents as at 1 January	2,162	2,221
Increase/(decrease) in cash and cash equivalents	135	(59)
Cash and cash equivalents at the end of the year	2,297	2,162

* For the year ended 31 December 2024 the Other non-cash items line item has been disaggregated

The net increase/(decrease) in cash and cash equivalents includes interest received of €965m (2023: €857m) and interest paid of €244m (2023: €117m) and dividends paid of €43m (2023: €43m).

Reconciliation of liabilities arising from financing activities

	Subordinated liabilities €m	Lease liabilities €m	Tier 2 hedging derivatives €m	Total €m
1 January 2024	257	35	(6)	286
Financing Cashflows:				
Lease liability	-	(7)	-	(7)
Interest paid on Tier 2 capital notes	(8)	-	-	(8)
Interest paid on Tier 2 hedging derivatives	-	-	(1)	(1)
Non-cash movements:				
Additions to lease liabilities	-	7	-	7
Interest accrued on Tier 2 capital notes	8	-	-	8
Interest accrued on Tier 2 hedging instrument	-	-	1	1
31 December 2024	257	35	(6)	286
1 January 2023	252	38	-	290
Financing Cashflows:				
Lease liability	-	(7)	-	(7)
Interest paid on Tier 2 capital notes	(8)	-	-	(8)
Interest paid on Tier 2 hedging derivatives	-	-	(1)	(1)
Non-cash movements:				
Additions to lease liabilities	-	4	-	4
Interest accrued on Tier 2 capital notes	8	-	-	8
Hedge adjustment on Tier 2 capital notes	5	-	(5)	-
31 December 2023	257	35	(6)	286

Notes to the Consolidated Financial Statements

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

1.1 Corporate information

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

The consolidated financial statements include the financial statements of the Company and its subsidiaries (together referred to as the Group) and are prepared up to the end of the financial year, 31 December 2024.

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

These consolidated financial statements for the year ended 31 December 2024 were approved by the Board and authorised for issue by the Directors on 3 March 2025.

The material accounting policies applied in the preparation of the financial statements for the year ended 31 December 2024 are set out below.

1.2 Basis of preparation

Statement of compliance

These consolidated financial statements comprise of the consolidated income statement, the consolidated statement of comprehensive income (SOCI), the consolidated statement of financial position (SOFP), the consolidated statement of changes in equity (SOCE), the consolidated statement of cash flows (SOCF), the Company SOFP, the Company SOCE, the Company SOCF and the notes to the consolidated and the Company financial statements, which have been prepared in accordance with IFRS and interpretations issued by the IFRS Interpretations Committee (IFRIC) as adopted by the EU and those parts of the Companies Act 2014 applicable to companies reporting under IFRS and EU (Credit Institutions: Financial Statements) Regulations 2015.

The accounting policies have been consistently applied by the Group entities and are consistent with the previous year.

The financial statements include the information that is described as being an integral part of the audited financial statements contained in the Directors' Report on Remuneration and in Risk Management. Certain tables and related information in the notes to the financial statements, included in boxes and clearly identified as unaudited do not form part of the audited financial statements.

The individual financial statements of the holding company have also been prepared in accordance with IFRS and interpretations issued by IFRIC as adopted by the EU and those parts of the Companies Act 2014 applicable to companies reporting under IFRS. In accordance with section 304(2) of the Companies Act 2014, the Company is availing of the exemption from presenting its individual income statement and related notes to the AGM and from filing it with the Registrar of Companies. See note 44 for further information.

The Company's loss after tax for the year ended 31 December 2024 was €216m (31 December 2023: profit €45m). For further information, see the Company financial statements on pages 402 to 408.

Basis of measurement

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

Functional and presentation currency

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

Use of estimates and judgements

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

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

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

Additional information about key assumptions and judgements are disclosed in the relevant notes for the following areas including significant estimation uncertainty:

- Allowance for credit impairment losses (note 21);
- Deferred taxation (notes 10 and 25);
- Fair value of financial instruments (note 35);
- Impairment review of subsidiary undertaking (note 44).

The estimates and assumptions are reviewed on an on-going basis and where necessary are revised to reflect current conditions. The principal estimates and assumptions made by Management relate to impairment of loans and advances to customers, deferred taxation, impairment of investment in subsidiary undertakings and financial instruments.

Judgements made by Management that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

1.3 Going Concern

In considering Management's assessment of the Group's and Company's ability to continue as a going concern, Management considered the principal risks and uncertainties as they might pertain to the going concern assumption, particularly the liquidity, profitability, and capital position. Management considered these items in their current status, and over future projections. In doing so, Management considered each risk in turn, and the likelihood of the risk precipitating in the going concern assumptions becoming invalid over the period of assessment, being twelve months from the date of the approval of the financial statements for the year ended 31 December 2024. Management considered realistic alternatives, including downside scenarios applied by the Group and Company to test assumptions and potential outcomes.

Assessment Basis

The time that the Directors and Management have considered in evaluating the appropriateness of the going concern basis in preparing the Company consolidated financial statements for the twelve months ended 31 December 2024 is a period of twelve months from the date of approval of these financial statements (3 March 2026).

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

Economic and political environment

The Irish economy grew at a steady pace in 2024 and is expected to continue to grow into 2025. This is supported by a strong labour market, increased Government investment and increasing real wages. Consumer price inflation eased in the second half of 2024 as the ECB began to cut interest rates in June 2024 when inflation began to fall, and it is expected to continue easing in the medium term.

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

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

Funding & Liquidity

The Group and Company continued to have sufficient liquidity throughout 2024 and continues to undertake initiatives to improve its liquidity position in the areas of deposits, collateral optimisation, and wholesale markets activity. The Directors and Management have also considered forecasts of the liquidity position over the going concern period, under a range of stress scenarios.

The Group and Company continues to hold a significant liquidity buffer at 31 December 2024 that can be easily and readily monetised in a period of stress. The Directors and Management are aware that the Group's and Company's ability to effectively utilise its contingent counterbalancing capacity is dependent on the underlying collateral remaining eligible. However, the Directors and Management are satisfied, based on a review of funding plans, interaction with wholesale markets and deposit trends that the required liquidity and funding will be available to the Group and Company during the period of assessment.

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

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

Profitability and Capital Adequacy

The Group and Company made a profit for the year ended 31 December 2024. Directors and Management have reviewed the Medium Term Plan and based on this, the near-term macro-economic conditions of the country, the Directors and Management are satisfied that the Group and Company are well positioned to continue to deliver profits in future years.

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

Conclusion

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

1.4 Comparative information

The comparative information for 2023 has been prepared on a consistent basis with 2024.

1.5 Summary of material accounting policies

(i) Basis of consolidation

Subsidiaries

Subsidiaries are those entities (including special purpose entities) controlled by the Group. Control exists when the Group has:

- the power, directly or indirectly, over the relevant activities of the investee, for example through voting or other rights;
- exposure to, or rights to, variable returns through involvement with the investee; and
- the ability to use its power over the investee to affect the Group's return from the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Financial statements of subsidiaries are prepared up to the financial position date. Intercompany transaction balances and unrealised gains/losses on transactions between the Group's companies are eliminated on consolidation.

The Company carries its investment in its subsidiary undertaking at cost in the Company financial statements and reviews whether there is any indication of impairment at each reporting date. Impairment testing involves comparing the carrying value of the investment to its recoverable amount. The recoverable amount is the higher of the investment's fair value or its VIU. If impairment occurs, this loss is recognised in the income statement.

Details of principal subsidiaries are included in note 44.

Interest in associated undertakings

Interest in associated undertakings encompass investments in entities wherein the Group has significant influence over the financial and operating policy decisions of the entity but does not have control. It is presumed that significant influence exists if the Group holds more than 20% of the voting rights in the entity unless it can be demonstrated otherwise. Conversely the Group may hold less than 20% of the voting rights but could be demonstrated to have significant influence.

Interest in associated undertakings are initially recognised at cost and subsequently accounted for using the equity method whereby the investment is increased or decreased each year by the Group's share of the post-acquisition profit or loss of the associate. The Group's share of the post-acquisition profit or loss of the associate is recognised in profit or loss and OCI.

The Group continues to decrease the carrying amount of the investment for its share of post-acquisition losses until the carrying amount is zero, unless the Group has incurred a legal or constructive obligation to make payments on behalf of the associate, in which case, these additional losses are provided for and a liability is recognised in this instance.

(ii) Business combinations and goodwill

(a) Business combinations

The Group accounts for business combinations, other than those under common control, using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group (see 1.5(i)).

In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

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

The consideration transferred in the acquisition is generally measured at the fair value of the assets transferred, the liabilities incurred to the former owners and equity interest issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities (see (vii) and (a)). The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the income statement.

(b) Goodwill

The Group measures goodwill as the excess of (i) the consideration transferred; (ii) the amount of any non-controlling interest in the acquired entity; and (iii) acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Goodwill is subject to an impairment review at least annually, and, if events or changes in circumstances indicate that the carrying amount may not be recoverable, it is written down through the income statement by the amount of any impairment loss identified in the year.

(iii) Foreign currencies

Foreign currency transactions are translated into the functional currency of each entity, being the currency of the primary environment in which the entity operates at the exchange rate prevailing at the date of the transaction or valuation where items are remeasured. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing at the reporting date. Exchange movements are recognised in the income statement. However, exchange movements arising from the translation of equity investments in respect of which an election has been made to present subsequent changes in fair value in Other Comprehensive Income (OCI) are recognised in OCI.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the spot exchange rate at the date on which the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

The results and financial position of the Group's subsidiaries which have a functional currency different from Euro are translated into Euro as follows:

- Assets and liabilities, including goodwill and fair value adjustments, are translated at the rates of exchange ruling at the reporting date;
- Income and expenses are translated at the average exchange rates for the year; and
- All resulting exchange differences are recognised in OCI and as a separate component of equity.

(iv) Recognition of income and expenses

(a) Interest and similar income and expenses

For all interest bearing financial instruments, interest income or expense is recorded using the EIR method.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. The effective interest rate is also revised for fair value hedge adjustments at the date on which amortisation of the hedge adjustment begins. The calculation of the EIR includes transaction costs, premiums or discounts, and fees paid or received that are an integral part of the EIR. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

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

Interest income is calculated by applying the EIR to the gross carrying amount of financial assets, except for:

1. POCI financial assets, for which the original credit-adjusted EIR is applied to the amortised cost of the financial asset (the calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves); and,

2. Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'Stage 3'), for which interest revenue is calculated by applying the EIR to their amortised cost (i.e. net of ECL provision). If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest income and expense calculated using the effective interest method presented in the consolidated income statement includes:

- interest on financial assets and financial liabilities measured at amortised cost;
- the effective portion of fair value changes in qualifying hedging derivatives designated in fair value hedges of interest rate risk;
- negative interest on financial liabilities measured at amortised cost;
- negative interest on financial assets measured at amortised cost; and
- interest expense on lease liabilities.

Other interest income presented in the consolidated income statement includes interest income on lease receivables.

(b) Fee and commission income and expense

As outlined above, fee and commission income and expense that are integral to the EIR on a financial asset or liability are included in the measurement of the EIR.

Other fees and commission income are recognised as the related services are performed. Fee and commission expenses relate mainly to transaction and service fees, which are expensed as the services are received.

(c) Net trading income/(expense)

Net trading income/(expense) comprises gains and losses relating to trading assets and trading liabilities and includes all realised and unrealised fair value changes on derivatives that do not qualify for hedge accounting, dividends and FX differences.

Dividend income is recognised when the right to receive income is established.

(d) Exceptional items

Certain items, by virtue of their nature and amount are disclosed separately in order for the user to obtain appropriate understanding of the financial information. These items would not ordinarily occur while carrying out normal business activities.

Exceptional items include gains and losses on the disposal of businesses, gain on bargain purchase in respect of business combinations, material restructuring costs and material transaction, integration and restructuring costs associated with acquisitions (including potential acquisitions).

The definition of exceptional items was refined to exclude gains and losses on material loan deleveraging post 31 December 2021. However, releases on those transactions which occurred prior to this refinement continue to be included in exceptional items is consistent with the treatment of the losses on deleveraging of loans in prior years.

(e) Bank levy and other regulatory charges

Bank levy and other regulatory charges consist of DGS fees, Central Bank Industry Funding levy, Single Resolution Fund levy, ECB fees and a bank levy.

A bank levy payable to the Government, is provided for on the occurrence of the event identified by the legislation that triggers the obligation to pay the levy.

(v) Employee Benefits

(a) Defined contribution pension plan

The Group operates a number of defined contribution pension schemes, under which the Group pays fixed contributions to a separate entity.

The contribution payable to a defined contribution plan is recorded as an expense under administration, staff and other expenses. Unpaid contributions are recorded as a liability.

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

(b) Short term employee benefits

Short term employee benefits, such as salaries and other benefits, are accounted for on an accruals basis over the period in which the employee's service is rendered. Bonuses are recognised where the Group has a legal or constructive obligation to employees that can be reliably measured.

(c) Termination payments

Termination benefits may be payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees where the offer is irrevocable. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(vi) Current and deferred taxation

Taxation comprises both current and deferred tax. Taxation is recognised as income or expense and included in the income statement except to the extent it relates to a business combination, or items recognised in either OCI or equity. In the former case, taxation is recognised in OCI while in the latter case, taxation is recognised directly in equity. In a business combination the tax amounts are recognised as identifiable assets or liabilities at the acquisition date.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years (ROI: 12.5%).

Deferred tax is provided using the liability method on all temporary differences except those arising on goodwill not deductible for tax purposes, or on initial recognition of an asset or liability in a transaction that is not a business combination and which at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.

Deferred tax is measured at the tax rates enacted or substantively enacted by the reporting date that are expected to be applied to the temporary differences when they reverse.

Deferred tax liabilities and assets are offset only when they arise in the same tax reporting group and where there is the intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

DTAs and liabilities shall be offset if, and only if:

- there is a legally enforceable right to set off current tax assets and liabilities; and
- the DTAs and liabilities relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities which intend to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

A DTA is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. DTAs are reviewed at each reporting date and are recognised only to the extent that it is probable that the related tax benefit will be realised. Deferred tax assets and liabilities are not discounted in accordance with IAS 12.

Unrecognised DTAs are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

(vii) Financial instruments

(a) Classification of financial assets

Financial assets of the Group currently are recorded at fair value and are classified, on initial recognition, as amortised cost designated as fair value hedges, or elected at FVOCI. Purchases and sales of financial assets are recognised on the trade date, being the date on which the Group commits to purchase or sell the asset.

With the exception of assets classified as FVTPL, the initial fair value of a financial asset includes direct and incremental transaction costs. The fair value of assets traded on an active market will be the price that would be received if an asset were to be sold in an orderly transaction between market participants at the measurement date. In the absence of an active market, the Group establishes a fair value using various valuation techniques that use observable and unobservable inputs. These include recent transactions in similar items, discounted cash flow projections, option pricing models and other valuation techniques used by market participants.

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

The classification requirements for debt and equity instruments are described below.

Debt instruments

Debt instruments, including loans and debt securities, are currently classified as amortised cost

Classification and subsequent measurement of debt instruments depend on:

(i)The Group's business model for managing the asset; and

(ii) The cash flow characteristics of the asset.

(i) Business model assessment

The business model reflects how the Group manages the assets in order to generate cash flows. That is, whether the Group's objective is solely to collect the contractual cash flows from the assets (HTC) or is to collect both the contractual cash flows and cash flows arising from the sale of assets (HTC&S). If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVTPL.

The Group assesses its business model at a portfolio level based on how it manages groups of financial assets to achieve its business objectives. The observable factors considered include:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to ExCo;
- How risks that affect the performance of the business model are managed;
- How business managers are compensated; and
- The timing, frequency and volume of sales.

(ii) Cash flow characteristics assessment

The Group carries out the cash flow characteristics assessment using the contractual features of an instrument to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they represent cash flows that are solely payments of principal and interest (the 'SPPI' test). Principal, for the purpose of this test, is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset, for example, due to repayments or amortisation of the premium/discount. Interest is defined as the consideration for the time value of money and credit risk, which are the most significant elements of interest within a lending arrangement. If the Group identifies any contractual features that could significantly modify the cash flows of the instrument such that they introduce exposures to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The Group carries out the SPPI test based on an assessment of the contractual features of each product on origination and subsequently at every reporting period. Derivative instruments and equity instruments are not covered by this assessment as they are held at FVTPL (except when equities have been elected to be accounted for at FVOCI).

Based on the above assessments, the Group currently classifies its debt instruments into one category as per below:

Debt instruments measured at amortised cost

Debt instruments are measured at amortised cost if they are held within a business model whose objective is to hold the assets to collect contractual cash flows, where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are measured at amortised cost. Interest income on these instruments is recognised in interest income using the EIR method.

The EIR is the rate that discounts estimated future cash payments or receipts through the expected life of a financial asset to the gross carrying amount of a financial asset. Amortised cost is calculated by taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the EIR.

Impairment on debt instruments measured at amortised cost is calculated using the ECL approach. Loans and debt securities measured at amortised cost are presented net of allowance for ECL in the SOFP within Loans and advances to customers and Debt securities and interest income is recognised in net interest income.

Equity instruments

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon purchase. For equity instruments measured at FVTPL, changes in fair value are recognised as part of other operating income in the income statement. The Group can elect to classify non-trading equity instruments at FVOCI. The FVOCI election is made upon initial recognition, on an instrument-by-instrument basis and once made is irrevocable. Gains and losses on these instruments including when derecognised/sold are recorded in OCI and are not subsequently reclassified to the income statement. The Group has classified certain equity instruments as FVOCI on initial recognition as per above. Dividends received are recorded in the income statement.

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

Reclassifications
Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

(b) Impairment of financial assets
The Group recognises loss allowances for ECL for the following financial instruments that are not measured at FVTPL:

- financial assets at amortised cost;
- lease receivables;
- loan commitments; and
- guarantees.

Measurement
ECL is measured by the Group in a way that reflects:

- an unbiased probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date and past events, current conditions and forecast of future economic conditions.

The amount of ECL recognised as a loss allowance depends on the change in credit risk of the financial instrument since origination and whether the credit risk on those financial instruments has increased significantly since initial recognition. In order to determine the appropriate ECL, a financial instrument is allocated to a stage dependent on the credit risk relative to when the financial instrument was originated:

- Stage 1 – includes financial instruments that have not had a Significant increase in Credit Risk (SICR) since initial recognition. For these assets, 12-month ECL is recognised. 12-month ECL is the ECL 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 loss will occur in the next 12 months. Therefore, all financial assets in scope will have an impairment provision equal to at least 12-month ECL;
- Stage 2 – includes financial instruments that have had a SICR since initial recognition but that does not have objective evidence of impairment. For these assets, lifetime ECL is recognised, being the ECL that results 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. For these assets, lifetime ECL is recognised.

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

The expected cash flows included in the ECL calculation are derived from a) the loan contract b) on the disposal of collateral or c) sale of loans arising from deleveraging of NPLs which are included in the ECL calculation from the point that they meet the following three conditions:

- Selling the loans becomes a recovery method that the Group expects to pursue in a default scenario;
- The Group is neither legally nor practically prevented from realising the loans using the recovery method; and
- The Group has reasonable and supportable information upon which to base its expectations and assumptions.

Credit loss is the difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original EIR.

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

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

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

For certain revolving credit facilities that do not have a fixed maturity (e.g. credit cards and overdrafts), the expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by Management actions.

For instruments in Stage 2 or Stage 3, loss allowances will cover ECL over the expected remaining life of the instrument.

Expert Credit Judgement

The Group's ECL accounting framework methodology, in line with the requirements of the standard, requires the Group to use its experienced credit judgement to incorporate the estimated impact of factors not captured in the modelled ECL results, in all reporting periods.

Effective Interest Rate

The discount rate used by the Group in measuring ECL is the EIR (or 'credit-adjusted effective interest rate' for POCI financial assets) or an approximation thereof.

For undrawn commitments, the EIR, or an approximation thereof, is applied when recognising the financial assets resulting from the loan commitment.

Low credit risk exemption

The Group applied the low credit risk exemption to sovereign debt securities, reverse repurchase agreements, loans and advances to banks and certain intercompany positions in scope for impairment under IFRS 9.

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

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

These exposures are in Stage 1 with a very low credit risk requiring 12-month ECL and contributing minimally to overall ECL.

Modification Policy for Financial Assets

The Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group assesses whether or not the new items are substantially different to the original terms. The Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay;
- Whether any substantial new items are introduced such as a profit share/equity-based return that substantially affects the risk profile of the loan;
- Significant extension of the loan term when the borrower is not in financial difficulty;
- Significant change in the interest rate;
- Change in the currency the loan is denominated in; and
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the Group derecognises the original financial asset and recognises a new asset at fair value and recalculates a new EIR for the asset. The date of renegotiation of the new financial asset is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a SICR has occurred. However, the Group also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group calculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original EIR (or credit-adjusted EIR for POCI financial assets).

Write-off policy

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

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

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

Presentation of ECL allowance in the statement of financial position

The ECL on financial assets measured at amortised cost is presented as a deduction from the gross carrying amount.

Credit losses on items not recognised in the statement of financial position such as undrawn lending commitments (where the loan commitment relates to a loan already recognised as a financial asset), letters of credit and guarantees (other than financial guarantee contracts) are reported under loans and advances to customers. Credit losses on loan commitments where there is no recognised financial asset are reported under Provisions.

(c) Financial liabilities and equity

Financial liabilities are currently classified at amortised cost unless mandatorily required to be classified at FVTPL, for example derivatives. Derivative liabilities are dealt with under separate accounting policies. All of the Group's financial liabilities, other than derivative liabilities, are classified at amortised cost.

The classification of instruments as a financial liability or an equity instrument is dependent upon the substance of the contractual arrangement. Instruments which carry a contractual obligation to deliver cash or another financial asset to another entity are classified as financial liabilities. The coupons on these instruments are recognised in the income statement as interest expense using the EIR method. Where the Group has absolute discretion in relation to the payment of coupons and repayment of principal, the instrument is classified as equity and any coupon payments are classified as distributions in the period in which they are made. If the Group purchases its own debt, it is removed from the balance sheet and the difference between the carrying amount of the liability and the consideration paid is included in other operating income, net of any costs or fees incurred.

Financial liabilities measured at amortised cost

Financial liabilities include deposits by banks (including Central Banks), customer accounts, debt securities in issue and subordinated debt. The related interest expense is recognised in net interest income.

Debt securities issued and subordinated debt issued are initially recognised on the date that they originated, while all other financial liabilities are recognised initially on the trade date. Both the date of origination and the trade date is the date the Group becomes a party to the contractual provisions of the instrument.

All financial liabilities are recognised initially at fair value, less any directly attributable transaction costs and are subsequently measured at amortised cost and the related interest expense is recognised in the income statement using the EIR method.

Equity

Financial instruments classified as equity are accounted for directly in equity less any transaction costs deducted directly from equity. Transaction costs are incremented costs directly attributable to the equity transaction that otherwise would have been avoided. Equity instruments are not subsequently re-measured. Any coupon payments on the instrument are treated as dividends and accounted for, when declared and paid as a distribution out of retained earnings. Equity instruments are issued at arm's length.

(d) Derecognition of Financial instruments

Financial assets

The Group derecognises a financial asset when the contractual right to the cash flow from the financial asset expires, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Control over the assets is represented by the practical ability to sell the transferred asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its SOFP, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised. Examples of such transactions are securities lending and sale-and-repurchase transactions.

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

In certain transactions, the Group retains the obligation to service the transferred financial asset for a fee. The transferred asset is derecognised if it meets the derecognition criteria. An asset or liability is recognised for the servicing contract if the servicing fee is more than adequate (asset) or is less than adequate (liability) for performing the servicing.

The Group sells loans and advances to customers to Structured Entities (SEs) that in turn issue notes to investors which are collateralised by the purchased assets. For the purpose of disclosure, a transfer of such financial assets may arise if the Group sells assets to a consolidated SE, the transfer of financial assets is from the Group (that includes the consolidated SE) to investors in the notes issued by the SE. The transfer is in the form of the Group assuming an obligation to pass cash flows from the underlying assets to investors in the notes. The securitisation is generally retained in the form of senior or subordinated tranches, or other residual interests (retained interests) however, these securitisations may also occur with entities external to the Group. Retained interests are recognised as debt securities in issue. The Group sells loans and advances to customers to SEs that are not consolidated SEs and the Group retains no interest in these assets and they are derecognised in their entirety.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired. This may happen when payment is made to the lender; the borrower legally is released from primary responsibility for the financial liability; or if there is an exchange of debt instruments with substantially different terms or a substantial modification of the terms of an existing debt instrument. Derecognition conditions are also satisfied when an entity repurchases its own debt instruments issued previously. When a financial liability is extinguished, any difference between the carrying amount of the financial liability and the consideration paid is recognised in the income statement.

(e) Determination of fair value of financial instruments and other assets

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset, or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability which is accessible to the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole and is described as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities (unadjusted);
- Level 2: Valuation techniques such as discounted cash flow method, comparison with similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

An analysis of the fair values of financial instruments, and further details as to how they are measured, are provided in note 35.

(viii) Derivative instruments and hedging

The Group follows the IFRS 9 model for hedge accounting.

Derivative instruments used by the Group primarily comprise interest rate swaps and currency forward rate contracts. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, the Group engages in fair value hedges which is hedging the exposure to changes in the fair value of a recognised asset or liability in relation to interest rate risk.

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Certain derivative instruments do not fulfil the hedge accounting criteria under IFRS 9 and are consequently classified as held for trading. The fair value movement and any interest income/(expense) are included in Net trading income/(expense).

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

(a) Fair value hedges

The Group uses interest rate swaps to hedge its exposure to changes in the fair value of fixed-rate euro notes issued in respect of the EURIBOR benchmark interest rate. The Group hedges interest rate risk only to the extent of the benchmark interest rate because the changes in the fair value of a fixed-rate note issued are significantly influenced by changes in the benchmark interest rate.

Before fair value hedge accounting is applied the Group determines whether an economic relationship between the hedged item and the hedging instrument exists. This is performed by comparing the critical terms of each of the instruments and also regression analysis to assess whether the hedging instrument is expected to be highly effective in offsetting changes in the fair value of the hedged item i.e. that the fair value of the hedged item and the fair value of the hedging instrument move in opposite directions and therefore offset. The Group establishes a hedge ratio by aligning the par amount of the fixed-rate note and the notional amount of the interest rate swap designated as a hedging instrument. The Group then performs regression analysis to ensure that the hedge relationship is highly effective as per above. This analysis is also performed at reporting periods to ensure that the hedge relationship remains highly effective.

The main sources of ineffectiveness will include differences in maturities of the instruments and different interest basis calculations.

The effective portion of fair value gains on hedging derivatives and the gain or loss on the hedged item are recognised in net interest income.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

(b) Credit valuation adjustment

The Group is engaged in over the counter (OTC) derivative transactions and considers whether a fair value adjustment for credit risk is required. CVA is considered to reflect the counterparty's default risk and debit valuation adjustment (DVA) to reflect own credit risk. There is no specific guidance on the methods used to calculate CVA or DVA which creates challenges in estimation.

As a result, IFRS 13 requires entities to consider the effects of credit risk when determining a fair value measurement.

The Group mitigates its derivative positions through the use of netting and Credit Support Annex collateral arrangements. The Group do not operationally net positions. The netting and collateral arrangements may be called upon in the event of a default. This allows a counterparty to net all assets and liabilities outstanding with the defaulting counterparty, subject to the agreement when the default event occurs. The collateral arrangements in place require the counterparty in a liability position to place collateral to cover that shortfall. The Group considers and discounts the necessity for any amendments to the valuations to reflect the CVA when calculating the fair value of the derivative positions.

The Group monitors this position at every reporting period and assesses if material CVAs become appropriate to be recognised.

(ix) Cash and cash equivalents

Cash comprises cash on hand and demand deposits and cash equivalents include liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value and with an original maturity of less than three months.

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

(x) Leases

(a) Classification of Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset; this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

Unless the lease is of short-term and of low-value assets, where the Group has the right to obtain substantially all of the economic benefits from use of identified assets and has the right to direct the use of the identified asset, a right-of-use asset is recognised in property and equipment and a lease liability is recognised in other liabilities.

If a lease is assumed as part of a business combination the Group, subject to not meeting the recognition exemptions as detailed below, will recognise a right-of-use asset and a lease liability as if the lease were a new lease at the acquisition date. The right-of-use assets and lease liability are then measured consistently with the Group's accounting policy as detailed above with the lease commencement date being the acquisition date.

As a lessee

The Group recognises a right-of-use asset (Property Plant and Equipment) and a lease liability (Other liabilities) at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate. Incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. For its incremental borrowing rate, the Group uses its FTP, which comprises its base cost of funds with add-ons related to regulatory requirements, and term liquidity premium based on the slope of swap curve as a proxy of time value of money. The Group FTP is fully reflective of its funding profile and therefore considers it an appropriate reflection of the Group's borrowing cost. For retail properties, property yield is added as a lease specific adjustment.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is remeasured, if there is a change in future lease payments arising from a change in index-linked considerations, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases of vehicles that have a lease term of twelve months or less and leases of low-value assets, including office equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Group acts as a lessor, it determines at lease inception, whether each lease is a finance lease or an operating lease.

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

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as, whether the lease is for the major part of the economic life of the asset.

When assets are held under a finance lease, the present value of the lease payments is recognised as a receivable at an amount equal to the net investment in the lease. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is included within net interest income and is recognised over the term of the lease reflecting a constant periodic rate of return on the net investment in the lease. Finance lease receivables are recognised within Loans and Advances to Customers and the related interest income within net interest income.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investments in the lease.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income, on a straight-line basis, over the lease term, as part of other income.

(xi) Property and equipment

Leasehold premises with initial lease terms of less than 50 years and all other equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the costs of such assets to their residual value over their estimated useful lives, which are assessed annually.

Freehold premises (including land) are revalued at least annually by external professional valuers. Any accumulated depreciation (on freehold premises excluding land) at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. Any resulting increase in value is credited to OCI and shown as revaluation reserves in shareholders' equity. Any decrease in value that offsets previous increases of the same asset are charged in OCI and debited against the revaluation reserves directly in equity while all other decreases are charged to the income statement. The revalued premises, excluding the land element, are depreciated to their residual values over their estimated useful lives.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Property and equipment are assessed for impairment where there is an indication of impairment. Where impairment exists, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised against the revaluation reserve to the extent it is available and any remainder is recognised in the income statement. The depreciation charge for the asset is then adjusted to reflect the asset's revised carrying amount.

If an item of property, plant and equipment is disposed of, any gains or losses are recognised in the profit or loss before tax. If the asset being disposed of had previously been revalued then any amount in OCI relating to that asset is reclassified directly to retained earnings on disposal rather than the income statement.

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

The estimated useful lives are as follows:

Freehold Buildings	50 years
Leasehold Buildings	50 years or term of lease if less than 50 years
Office Equipment	5 – 7 years
Computer Hardware	3 – 7 years
Motor Vehicles	3 – 5 years
Fixtures and fittings	7 – 10 years

(xii) Intangible assets (other than goodwill)

Acquired computer software is stated at cost, less amortisation and provision for impairment, if any. The external costs and directly attributable internal costs of bringing to use the computer software are capitalised where it is probable that future economic benefits that exceed its cost will flow from its use over more than one year.

Capitalised computer software has a finite life and is amortised on a straight-line basis over a period of between three to seven years.

Expenditure on internally developed software is recognised as an asset when the Group is able to demonstrate: that the product is technically and commercially feasible, its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and that it can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and capitalised borrowing costs, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and any accumulated impairment losses.

Software is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The estimated recoverable amount is the higher of the asset's fair value less costs to sell or VIU.

Costs associated with research activities or maintaining computer software programmes are recognised as an expense as incurred.

(xiii) Collateral in possession

In certain circumstances, property is repossessed following foreclosure on loans that are in default. When a property is repossessed, the associated loan relating to that property is derecognised and any provision on that loan is reversed. On initial recognition the collateral in possession is valued at its fair value.

Subsequent to initial recognition, the property is carried at the lower of its cost and net realisable value.

(xiv) Assets and liabilities classified as held for sale

An asset or a disposal group is classified as held for sale if the following criteria are met:

- Its carrying value will be recovered principally through sale rather than continuing use;
- It is available for immediate sale; and
- The sale is highly probable within the next 12 months.

When assets (or disposal groups), other than financial assets as classified under IFRS 9, or rights under an insurance contract, are initially classified as held for sale, they are measured at the lower of the carrying amount or fair value less costs to sell at the date of reclassification.

Impairment losses subsequent to classification of such assets (or disposal groups) are recognised in the income statement. Increases in fair value less costs to sell of such assets (or disposal groups) that have been classified as held for sale are recognised in the income statement to the extent that the increase is not in excess of any cumulative loss previously recognised in respect of the asset (or disposal group).

Where the above conditions cease to be met, the assets (or disposal group) are reclassified out of held for sale and included under the appropriate SOFP classifications.

Financial assets within the scope of IFRS 9, DTAs and income taxes within the scope of IAS 12 continue to be measured in accordance with these standards.

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

(xv) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A restructuring provision is recognised when there is an approved detailed and formal Restructuring Plan, and the restructuring either has commenced or has been publicly announced. Future operating losses are not permitted to be recognised.

Present obligations arising under onerous contracts are recognised and measured as provisions at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. An onerous contract is a contract in which the unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected to be received under it.

Contingent liabilities are either possible obligations that arise from past events whose existence is dependent on whether some uncertain future events occur which are not wholly within the control of the entity or are a present obligation that arises from a past event but is not recognised because:

- It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised but are disclosed unless the probability of their occurrence is remote.

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss that it incurs because a specified debtor fails to make payment when it is due in accordance with the terms of a debt instrument.

Loan commitments are firm commitments to provide credit under pre-specified terms and conditions.

The maximum exposure to credit loss under commitments is the contractual amount of the instrument in the event of non-performance by the other party where all counter claims, collateral or security prove worthless. The transfer of economic resources is uncertain and cannot be reasonably measured to be recognised on the SOFP.

ECL held against loan commitments are recognised in Provisions except where the loan commitment relates to a loan already recognised as a financial asset. In this case the ECL is recognised in Loans and advances to customers.

Financial guarantees issued or commitments to provide a loan at a below-market interest rate are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with IFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15.

Other loan commitments issued are measured at the sum of (i) the loss allowance determined in accordance with IFRS 9 and (ii) the amount of any fees received, less, if the commitment is unlikely to result in a specific lending arrangement, the cumulative amount of income recognised. Derecognition policies in section (vii) (d) above are applied to loan commitments issued and held.

The Group has issued no loan commitments that are measured at FVTPL.

(xvi) Dividends

Final dividends on ordinary shares are recognised in equity in the period in which they are approved by the Company's shareholders. Interim dividends are recognised in equity in the period in which they are paid.

(xvii) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Group Executive Committee (being the chief operating decision maker (CODM)) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

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

(xviii) Sales and repurchase agreements

Financial assets may be lent for a fee or sold subject to a commitment to repurchase them ("repos"). Such assets are retained on the SOFP when substantially all the risks and rewards of ownership remain with the Group. The assets are reclassified when the transferee has the right by contract to sell or repledge the collateral. The liability to the counterparty is included separately on the SOFP as appropriate in either Deposits by banks or Customer accounts depending on whether the counterparty is a bank or not.

Similarly, where financial assets are purchased with a commitment to resell ("reverse repos"), or where the Group borrows financial assets but does not acquire the risks and rewards of ownership, the transactions are treated as collateralised loans, and the financial assets are not included in the SOFP. The collateralised loan asset is included separately on the SOFP as appropriate in either Loans and advances to banks or Loans and advances to customers.

The difference between the sale and repurchase price is recognised in net interest income over the life of the agreements using the EIR.

In certain circumstances, the Group pledges collateral in respect of liabilities or borrowings. Collateral pledged in the form of securities or loans and advances continues to be recorded on the SOFP. Collateral placed in the form of cash is recorded in loans and advances to banks or customers. Any interest receivable arising is recorded as interest income.

(xix) Collateral

The Group enters into master agreements with counterparties to ensure that in the event of a default, all amounts outstanding with those counterparties will be settled on a net basis. The Group obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of a lien over the customers' assets and gives the Group a claim on these assets for both existing and future liabilities. The collateral is not recorded on the Group's SOFP.

The Group also receives collateral in the form of cash or securities in respect of other credit instruments, such as sale-and-repurchase contracts and derivative contracts, in order to reduce credit risk. Collateral received in the form of securities is not recorded on the SOFP. Collateral received in the form of cash is recorded on the SOFP, with a corresponding liability recognised within deposits from banks or deposits from customers. Any interest payable arising is recorded as interest expense.

(xx) Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is currently a legally enforceable right of set off and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. No impairment loss allowance for ECL is recognised on a financial asset, or portion thereof, which has been offset.

Notes to the Consolidated Financial Statements (continued)

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

1.6 Application of new and revised IFRS

In 2024, the Group assessed the impact of new and revised pronouncement of IFRSs which took effect during the year. The changes to IFRSs during 2024 did not have material impact on the Group's financial statements. The Group has not early adopted any of the changes described below.

1.7 Impact of other accounting standards with effective periods beginning on or after 1 January 2024.

The following table outlines the new pronouncements coming into effect for accounting periods on or after 1 January 2024 and did not have a significant impact on the financial statements.

Accounting Standard Update	Description of Change	Key impacts for PTSB	Effective Date
IAS 1 – Classification of Liabilities as Current or Non-current	Clarifies that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period.	This amendment has had no material impact on current or future reporting.	Annual periods beginning on or after 1 January 2024.
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	Clarifies how to measure sales in a sale and lease back agreement. The aim is to ensure it meets the requirements of IFRS15 revenue recognition.	This amendment has had no material impact on current or future reporting.	Annual periods beginning on or after 1 January 2024.
Non-current Liabilities with Covenants (Amendments to IAS 1)	Clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.	This amendment has had no material impact on current or future reporting.	Annual periods beginning on or after 1 January 2024.
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	Provides disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	This amendment has had no material impact on current or future reporting.	Annual periods beginning on or after 1 January 2024.

1.8 Impact of other accounting standards with effective periods beginning on or after 1 January 2025.

The following table outlines the new pronouncements coming into effect for accounting periods on or after 1 January 2025 and are not deemed to have a significant impact on the financial statements with the exception of IFRS 18 impacts detailed below.

Accounting Standard Update	Description of Change	Key impacts for PTSB	Effective Date
Lack of Exchangeability (Amendments to IAS 21)	Provides guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	This amendment is expected to have no material impact on current or future reporting.	Annual periods beginning on or after 1 January 2025. Not yet endorsed by the EU.
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.	The potential impact on future reporting is expected to be minor. Further consideration will be given to the amendment closer to the first applicable reporting period if it is adopted by the EU.	Annual reporting periods beginning on or after 1 January 2026. Not yet endorsed by the EU.

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

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

2. Critical accounting estimates and judgements

The preparation of these consolidated financial statements, in conformity with IFRS, requires Management to make assumptions, estimates and judgements that affect the reported amounts of income, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that may require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

The current economic climate, with interest rates remaining high and continued cost inflation, elevates the uncertainty associated with judgements, estimates and assumptions made by Management. The Irish economy demonstrated resilience in the current economic climate in 2024. The results of the actions taken by the Government, EBA and CBI point toward a positive trajectory. The Directors and Management, however, remain cautious and risk remains in the medium to long-term that the Irish Banking sector will continue to face challenges, particularly due to higher capital requirements and new and emerging risks.

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

Assumptions, estimates and judgements are revised on an ongoing basis and where necessary are revised to reflect current conditions and updated information.

Critical accounting estimates and judgements made by Management in applying accounting policies are set out below.

(a) Allowance for credit losses under IFRS 9

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

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

Determination of significant increase in credit risk (SICR)

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

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

Forward Looking Information (FLI)

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

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

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

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

The Group's approach applies extreme-but-plausible economic scenarios (i.e., underpinned by historical evidence) to estimate the distribution of ECL to which the Group is exposed. Using statistical techniques combined with expert credit judgement the Group then formulates an unbiased probability weighted estimate of ECL at the reporting date. The Group's approach to economic scenario development and application will be reviewed during the redevelopment of the Group's IFRS 9 model suite over the course of the next 12 - 18 months.

2. Critical accounting estimates and judgements (continued)

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

The table below compares the key macroeconomic variables and probability weightings used for the year-end ECL process to those used at December 2023. Macroeconomic input parameters were last updated in December 2024.

The updated Base Case scenario reflects marginally higher unemployment forecasts and a worsening GDP outlook vs previous year, due to headwinds in the global economy as a result of geopolitical pressures. The Upside and Downside scenarios are updated to present extreme '1-in-20' scenarios relative to the updated Base scenario. Given the severity of these scenarios (5th Percentile upside and 95th Percentile downside), their combination captures the macroeconomic uncertainty arising from the current economic environment.

	31 December 2024				31 December 2023			
		Base Case	Upside Scenario	Downside Scenario		Base Case	Upside Scenario	Downside Scenario
	Average value over Year 1	Average value over the forecast period	Average value for the forecast period	Average value over the forecast period	Average value over Year 1	Average value over the forecast period	Average value over the forecast period	Average value over the forecast period
Percentile		50th	5th	95th		50th	5th	95th
Scenario Probability Weighting		54%	23%	23%		54%	23%	23%
Irish Residential House Prices	3%	2%	12%	-10%	2%	2%	12%	-10%
Irish Unemployment	6%	6%	4%	12%	6%	5%	4%	11%
Irish GDP	1%	2%	5%	-2%	3%	3%	6%	-2%
Consumer Price Index	2%	2%	2%	4%	3%	2%	2%	4%
ECB Base Rate	2%	2%	1%	4%	4%	3%	1%	4%

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

Base scenario

Global inflationary forces have continued to ease through 2024, freeing all major monetary authorities to cut interest rates in the second half of the year. A soft landing in the global economy, with unemployment and default rates remaining subdued compared to previous cycles, and a steady recovery in growth, provided a more attractive backdrop for the global economy in 2024. However, the change in the political leadership of the world's largest economy, and a radically different approach to international trade agreements presents a new and significant threat to the global macro-economic outlook.

A more benign interest rate environment and the increased number of high wage earners in the economy means that house prices are expected to see upward pressure, albeit at a much more modest rate. Underlying driving forces, such as a) decade of under supply of housing, b) strong population growth through inward migration and population dynamics, c) record rental values and d) exceptionally strong construction price inflation, are expected to support property prices in the medium term.

Unemployment is expected to increase over the forecast period due to a weakened outlook in global trade. Average GDP growth over the forecast period reflects the uptick in unemployment.

Upside scenario

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

Consistent with the longer-term nominal house price average gain of 9.3% since 1970 and 6.4% globally during that period, the HPI forecast for the extreme positive scenario, puts average HPI increases at 12% per annum. Average GDP growth over the forecast period is 5%, which is higher than the average of 3.9% for the Irish economy since 1950. The outlook reflects an extreme positive of effective full employment. Substantially below trend CPI growth returns in the Irish economy over the forecast horizon, with inflation trends remaining highly supportive of economic growth.

2. Critical accounting estimates and judgements (continued)

Downside scenario

The Downside scenario is an extreme negative scenario backed by Irish historical context and international comparatives. The scenario captures a statistical extreme in unemployment, GDP and HPI, while maintaining credibility as a single scenario. In this scenario, there is a prolonged period of unemployment, averaging at 12% per annum over the forecast period. Five years of sub normal growth across the forecast horizon shows a sharp reversal from current expected growth levels and is significantly below the 3.9% average GDP growth seen in the Irish economy since 1950. The threat of CPI moving ahead at a much faster pace than expected, is a key feature of this 1 in 20 scenario for this period, acknowledging the more fragmented global supply chain and the larger scale deglobalisation impact. House price decline reflects worsened conditions.

Scenario application

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

If the Group were to only use its Base Case Scenario for the measurement of ECL for the secured mortgage portfolio, excluding overlay adjustments to modelled ECL outcomes, the ECL impairment allowance would be €95m less than reported at 31 December 2024.

Similarly, excluding overlay adjustments to modelled ECL outcomes, if the Group were to only apply its Upside Scenario for the measurement of ECL for the secured mortgage portfolio, the ECL impairment allowance would be €107m less than reported at 31 December 2024. Whereas, if the Group were to only use its Downside Scenario, the ECL impairment allowance would be €309m greater than reported at 31 December 2024.

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

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

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

Criteria applied to determine significant increase in credit risk

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

At December 2024, a collective risk assessment has been conducted on a cohort of customers who could be disproportionately impacted by headwinds at the reporting date. This assessment has resulted in a management decision to classify €225 million of stage 1 residential mortgage loans as stage 2, with a corresponding €2 million uplift to modelled expected credit loss allowances. This does not form part of management's judgement in impairment model parameters or overlay adjustments.

Management judgement applied to impairment model parameters

At December 2024, the residential mortgage LGD parameter utilised in the ECL calculation was updated to reflect management judgement in respect of the future resolution profile of the non-performing loans and observed model sensitivity to intense house price growth during the year (+€44m). Changes in individual exposure LGD does not impact staging classification. The secured LGD model is scheduled for redevelopment in 2025.

Overlay adjustments to modelled ECL outcomes

Overlay adjustments approved for 31 December 2024 (with 2023 comparison where applicable), are set out below and categorised as follows:

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

2. Critical accounting estimates and judgements (continued)

Overlay adjustments to modelled ECL outcomes

	31 December 2024 €m	31 December 2023 €m
Non-performing exposures	35	50
Model to be built	10	13
Model limitations	26	29
Forward-looking outlook	21	44
Total	92	136

Non-performing Exposures (NPE)

An overlay of €35m is in place in respect of Stage 3 residential mortgage loans that are in default for a prolonged period and for which Management consider the modelled impairment to be insufficient to cover resolution. The overlay is based on the Group's assumptions around collateral realisation on defaulted assets in respect of coverage levels on non-performing loans based on years in default. Given the nature of this overlay, there is no impact on the Group's SICR assessment and assessment is determined by level of non-performing loans within loans and advances to customers at 31 December 2024. This overlay has reduced from December 2023 due to the Glas III portfolio loan sale and paydown during the year. The requirement for this overlay will be removed upon the implementation of a redeveloped residential mortgage LGD model, which will consider the impact of NPE vintage on loss outcomes, scheduled for H2 2025.

Model to be Built

A €10m overlay has been applied in respect of portfolios which were acquired from Ulster Bank in 2023. This overlay incorporates minimum provision coverage floors, based on pre-determined benchmarks. Given the nature of these acquisitions, the overlay is applied at portfolio level which does not give rise to a staging adjustment. The development of specific impairment models for these portfolios, planned for H1 2026, is expected to remove the requirement for this overlay.

Model Limitations

Construction of the Group's IFRS9 models was based on a single economic cycle covering a period of low and stable inflation rates. Management is of the view that the modelled impairment allowance may not fully reflect expected credit losses for certain cohorts of borrowers. At the reporting date, a €26m management overlay is held for this risk. The requirement for this overlay is expected to reduce throughout 2025 and 2026 as key milestones in the IFRS 9 Provision Models Programme are met.

Forward-Looking Outlook

The bank is forward-looking in its risk identification process to ensure emerging risks are identified. It acknowledges that not all forward-looking adjustments can be considered in IFRS9 models and as a result will require reassessment on a regular basis.

A €21m overlay to reflect the uncertainty associated with the current economic headwinds comprises of:

- €15m in respect of specific commercial sectors where management consider heighted default risk associated with emerging risks not captured within modelled results (31 December 2023: €17m) with impacted obligations and associated overlay reported as Stage 2;
- €3m in respect of performing consumer accounts to reflect recent default and recovery experience not yet captured within modelled ECL (31 December 2023: €10m). The ongoing requirement for this overlay will be assessed as part of the unsecured model redevelopment scheduled for 2026; and
- €3m in respect of Stage 1 residential mortgage accounts to reflect the potential for geopolitical headwinds to further stress less seasoned mortgage exposures.
- An overlay of €17m held at December 2023 to reflect cost of living challenges associated with the increased interest rate environment, is no longer deemed necessary based on observed performance and current point in the interest rate cycle.

(b) Deferred taxation

At 31 December 2024, the Group had a net deferred tax asset of €316m (31 December 2023: €309m), see note 25 for further details.

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

2. Critical accounting estimates and judgements (continued)

The most important judgement relates to Management's assessment of the recoverability of the deferred tax asset relating to carried forward tax losses, being €323m at 31 December 2024. It should be noted that the full deferred tax asset on tax losses relates to tax losses generated in the PTSB legal entity (i.e. no deferred tax asset is being recognised on tax losses carried forward in any other Group company).

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

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

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

Taking the above factors into account, and in the absence of any expiry date for the utilisation of carried forward tax losses in Ireland, the Board have concluded that it is more likely than not that there will be sufficient taxable profits against which the losses can be utilised and on the basis of the assessment above, continue to recognise €323m of a deferred tax asset on tax losses on the statement of financial position as at 31 December 2024.

In this regard, the Group has carried out an exercise to determine the likely number of years required to utilise the deferred tax asset arising on tax losses carried forward. Based on the Group's latest forecast plans to 2029 and assuming a level of profitability growth consistent with GDP growth of approximately 2.5%, it will take c. 12 years for the deferred tax asset on tax losses of €323m to be utilised. A level of profitability consistent with GDP growth continues to be considered by Management to be appropriate given the Group's primarily domestic retail focus and the expectation arising therefrom that, over the long-term, the Group's performance would be expected to broadly track the performance of the Irish economy, with modest GDP growth expected over the medium term. Management are of the view that a long-term assumed growth rate of 2.5% is not unreasonable in this context.

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

The expected period of time to full utilisation of the deferred tax asset is broadly in line with that at 31 December 2023 where the DTA was expected to be utilised by 2034. Assumptions underpinning the deferred tax asset recoverability analysis are broadly in line with prior periods.

2. Critical accounting estimates and judgements (continued)

It should be noted that Management make certain judgements in the process of applying the Group's accounting policies which may impact on amounts recognised in the financial statements and consequently on taxable profits and the utilisation of tax losses. As set out in note 25, analysis carried out demonstrates that were certain adverse events to arise (see below for further detail of the adverse events considered) it continues to be Management's view that there would be sufficient future taxable profits against which the full quantum of tax losses carried forward could be utilised, albeit that the period of time over which such utilisation would occur would be extended.

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

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

As set out above, in assessing the appropriateness of recognising a deferred tax asset on tax losses carried forward, Management has considered the impact of various stress case scenarios on the period of recoverability. The three scenarios identified as having potentially significant implications for the deferred tax asset recoverability are (i) adverse changes in the interest rate environment, (ii) increased impairment charges and (iii) increases in operating costs. These stress case scenarios are intended to simulate a situation where there is an economic downturn. If any one of the stress case scenarios were to occur, within a reasonably possible range, it is our expectation that the time period over which these assets might be recovered could extend by 1 year. If all adverse assumptions were to arise the period of recoverability would be extended by 5 years (i.e. full utilisation by 2041). However, Management consider this scenario unlikely. Changes in these assumptions are most impacted by changes to house prices and unemployment, which represent the majority of any expected stress loss which could occur. This position will continue to be reviewed for each reporting period; however, much of this estimation uncertainty may not be resolved for a number of years. However, as noted, based on the Group's latest forecast plan, it is Management estimate that the expected time period for recovery of the deferred tax asset on tax losses to be 12 years, i.e. full utilisation is expected by 2036.

(c) Fair Value of Financial instruments

The Group's accounting policy for the determination of fair value of financial instruments is set out in note 1(vii)(e). The best evidence of fair value is quoted prices in an active market. The absence of quoted prices increases reliance on valuation techniques and requires the use of judgement in the estimation of fair value. This judgement includes evaluating available market data, determining the expected cash flows for the instruments, as well as identifying and applying an appropriate discount rate and credit spread.

Valuation techniques that rely on non-observable data require a higher level of Management judgement in estimating the fair value compared to those based on observable data.

The quality of market data, valuation techniques and other inputs into the valuation models used are subject to internal review and approval.

The Group carries certain financial assets at fair value. In estimating the fair value of these assets and derivatives, the Group seeks to use quoted market prices (level 1). Where quoted market prices are not available, the Group uses valuation techniques which use observable inputs including quoted prices of financial instruments themselves or quoted prices of similar instruments – in either active or inactive markets (level 2) but where this is not possible, a degree of judgement is used (level 3). Such judgement considerations typically include items such as interest rate yield curves, equity prices, option volatilities and currency rates.

Further details of the fair value of financial assets and liabilities are set out in Note 35.

2. Critical accounting estimates and judgements (continued)

(d) Impairment review of its subsidiary undertaking

The Company carries its investment in its subsidiary undertaking at cost and reviews whether there is any indication of impairment at each reporting date. Impairment testing involves comparing the carrying value of the investment to its recoverable amount. The recoverable amount is the higher of the investment's fair value or its value-in-use (VIU).

An impairment charge arises if the carrying value exceeds the recoverable amount and where the carrying value is not supported by the estimated discounted future cash flows of the underlying business. Management note that the market capitalisation of the Group is lower than its net assets. It is noted that the market capitalization does not include a control premium. The recoverable amount of the investment is the higher of its fair value less costs to sell or it's VIU. The carrying value of the investment in PTSB before adjusting for impairment was €2,346m and recoverable amount based on the VIU was €2,083m resulting in a €263m impairment charge for the year (31 December 2023: no impairment charge).

The VIU is the present value of the future free cash flows expected to be derived from the investment, based upon a VIU calculation discounted at an appropriate rate for the investment. The cash flows are forecast based on the asset in its current condition, and do not take account of planned management actions, such as the limited Voluntary Severance Scheme announced in late 2024, which would result in a significantly higher recoverable amount were it to be included. See note 41 for further details on the Voluntary Severance Scheme.

The recoverable amount reflecting Management's best estimate is sensitive to changes in the following key assumptions:

Cash flow forecasts

Cash flow forecasts are based on internal management information used for strategic planning for a period of up to five years, after which a long-term growth rate appropriate for the business is applied. The key cash flows in these forecasts are as follows:

- Forecasted net lending growth, which is based on historical experience of the Group, strategic priorities and direction;
- Forecasted SME business and increase in fee based income portfolio based on the targets for the coming years;
- Increase in revenue reflective of balance sheet growth;
- Operating profits based on historical experience and average margins;
- Impairment charge based on historical experience and forecasted general macro-economic outlook;
- Deposits projections based on the liquidity funding needs of the Groups; and
- Issuance / redemptions of the debt issued and other capital raising activities.

The projected cash flows are stress tested with actual performance and verifiable economic data annually to reflect current market conditions and Management's best estimates of future projections.

Growth rate

Growth rate is determined by reference to long-term economic growth and does not exceed the relevant long-term average growth rate of the industry in which it operates. A growth rate of 2.5% (31 December 2023: 2.5%) was used.

Discount rate

The discount rate used is a post-tax weighted average cost of capital of the Group of 11.5% (31 December 2023: 11.5%) as the cash flows used in impairment assessment are post-tax cash flows. The discount rate includes an additional risk premium to account for various specific risks. These specific risks are not reflected in the cash flows projected for impairment analysis.

The discount rate is used for various internal pricing models and is benchmarked with the industry averages to cater for the any changes in risk profile of the Group.

The Group uses post-tax discount rate as the cash flows generated by the subsidiary are post-tax cash flows.

2. Critical accounting estimates and judgements (continued)

Sensitivity analysis

The impact of changes in the growth rate, the discount rate and cash flows has been assessed by the Directors:

- A decrease in ECB interest rate of 100bps would result in a VIU of €1,633m, resulting in an additional impairment charge of €450m;
- An increase in ECB interest rate of 100bps would result in a VIU in excess of the carrying value after impairment charge, resulting in no additional impairment charge;
- An increase in operating expenses of €20m per annum, would result in a VIU of €1,878m, resulting in an additional impairment charge of €205m;
- A decrease in operating expenses of €20m per annum, would result in a VIU in excess of the carrying value after impairment charge, resulting in no additional impairment charge;
- A decrease of 1% in long-term growth rate would result in a VIU of €1,898m, resulting in an additional impairment charge of €184m;
- An increase of 1% in long-term growth rate would result in a VIU in excess of the carrying value after impairment charge, resulting in no additional impairment charge;
- An increase of 1% in the discount rate would result in a VIU of €1,834m, resulting in an additional impairment charge of €249m; and
- A decrease of 1% in the discount rate would result in a VIU in excess of the carrying value after impairment charge, resulting in no additional impairment charge.

3. Operating segments

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

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

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

3.1 Revenue from external customers split by products and services

The sources from which the Group earns external revenue are: interest income, fee and commission income, net trading income, and other operating income. Total revenue from external customers was €1,002m (31 December 2023: €870m). The main products from which the Group earns external revenue include: mortgages; consumer finance; treasury assets; and wholesale funding. The interest income from these products is set out in the table below. Interest income from external customers split by product:

	31 December 2024 €m	31 December 2023 €m
Mortgages	673	611
Consumer finance*	74	50
Treasury assets	65	36
Wholesale funding**	87	81
Total	**899**	**778**

*Consumer finance comprises income from term loans, credit cards, overdrafts and asset financing.
**Wholesale funding comprises loans and advances to other banks.

3.2 Profit for the year based on geographical location

During the year ended 31 December 2024 the Group's profit was solely incurred in Ireland. During the year ended 31 December 2023, the majority of the Group's profit was incurred in Ireland. During 2023, an immaterial loss (less than €1m) was incurred outside of Ireland in the Group's IOM subsidiary PBI Ltd, which entered liquidation on 20 December 2023.

3.3 Assets and liabilities based on geographical location

All assets and liabilities were held in Ireland at 31 December 2024 and 31 December 2023.

4. Net interest income

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Interest income		
Loans and advances to customers (excluding lease receivables)	718	649
Loans and advances to banks	87	81
Debt securities and other fixed-income securities	65	36
Interest income calculated using the effective interest rate method	870	766
Other interest income*	29	12
Interest income	899	778
Interest expense		
Deposits from banks	(23)	(35)
Due to customers	(139)	(43)
Debt securities in issue	(114)	(71)
Loans and advances to banks	(1)	-
Subordinated liabilities	(9)	(8)
Lease liabilities	(1)	(1)
Interest expense	(287)	(158)
Net interest income	612	620

*Other interest income consists of interest income on lease receivables

Loans and advances to customers interest income includes a charge of €32m (31 December 2023: €29m) in respect of deferred acquisition costs and €22m (31 December 2023: €24m) amortisation on the business combination related fair value adjustments. Other interest income includes a charge of €2m (31 December 2023: €nil) in respect of deferred acquisition costs and €2m (31 December 2023: €1m) amortisation on the business combination related fair value adjustments.

Debt securities in issue includes €12m net interest expense on derivatives that are in hedge relationships (31 December 2023: €2m) and subordinated liabilities includes €1m net interest expense on derivatives that are in hedge relationships (31 December 2023: €nil).

5. Net fee and commission income

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Fee and commission income		
Retail banking and credit card fees	86	76
Brokerage and insurance commission	11	9
Other fees and commission income	1	1
Fee and commission income	98	86
Fee and commission expense*	(43)	(44)
Net fee and commission income	55	42

* Fee and commission expenses primarily comprises retail banking and credit cards fees.

6. Net trading Income

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Held-for-trading		
Foreign exchange gains	2	3
Net trading income	2	3

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

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Staff costs (as detailed below)	**233**	201
Other general and administrative expenses	**186**	177
Administrative, staff and other expenses (excluding exceptional items)	**419**	378

Administrative, staff and other expenses (excluding exceptional items) includes costs of €3m in relation to legacy cases (31 December 2023: €2m)

Fees paid to the Group's auditors for services outlined below

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Statutory auditor's remuneration (including expenses and excluding VAT)		
- Audit of the individual and the Group financial statements	**2.0**	1.8
- Other assurance services*	**0.6**	0.2
- Other non-audit services**	**0.2**	1.4

* Other assurance services in 2024 relate to interim financial statement review, CSRD Regulations and Country by Country Reporting. In 2023, other assurance services included ESG related costs and interim financial statement review related costs.
** Other non-audit services in 2024 include AI compliance and ID&V vendor assessment and March Euro Note Programme. In 2023, other non-audit services costs included fees and interim fees for professional services in relation to Project Sun, DTR Claim, and costs in relation to the Lombard KYC processes.

Staff costs

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Wages and salaries (including commission payable to sales staff)	**205**	183
Social insurance	**22**	20
Pension costs (payments to defined contribution pension schemes)	**21**	17
Total staff costs	**248**	220
Staff costs capitalised	**(15)**	(16)
Staff costs charged to exceptional items	**-**	(3)
Total staff costs included in the Income Statement	**233**	201

Staff costs of €15m (31 December 2023: €16m), have been capitalised to Intangible assets (see note 24), as the cost incurred was directly related to developing software and it is probable that future economic benefits that exceed its cost will flow from its use over more than one year. Therefore these costs are not included in this note.

Notes to the Consolidated Financial Statements (continued)

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

Staff numbers

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

	Closing staff numbers*		Average staff numbers	
	2024	2023	2024	2023
Customer facing	**1,198**	1,116	**1,194**	1,024
Non-customer facing	**2,161**	2,214	**2,155**	2,031
Total number of staff	**3,359**	3,330	**3,349**	3,055

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

8. Bank levy and other regulatory charges

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Bank levy	**23**	22
Other regulatory charges	**10**	38
Bank levy and other regulatory charges	**33**	60

Other regulatory charges include €4m for the Central Bank Industry Funding Levy (31 December 2023: €4m), €nil for the Deposit Guarantee Scheme (31 December 2023: €28m), €nil related to Single Resolution Fund (31 December 2023: €4m) and €2m related to other regulatory charges (31 December 2023: €2m).

9. Exceptional items

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Costs incurred in relation to the Ulster Bank transaction (a)	**-**	(31)
Other (b)	**(2)**	(2)
Impairment write-back from deleveraging of loans (c)	**2**	5
Exceptional items	**-**	(28)

(a) During 2024, no costs were incurred in relation to the Ulster Bank transaction (31 December 2023: €31m) as migration completed in 2023.

(b) Other costs of €2m (31 December 2023: €2m) relate to additional costs arising in respect of a previous disposal of a business, offset by a provision release.

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

During 2024, warranty provisions and accruals of €2m (31 December 2023: €5m) were released in relation to loan deleveraging transactions that the Group executed pre-31 December 2021.

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

10. Taxation

(a) Analysis of taxation charge

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Current taxation		
Charge for current year	1	1
	1	1
Deferred taxation		
Origination and reversal of temporary differences	(4)	10
Deferred taxation recognised in the income statement (note 25)	(4)	10
Taxation (credited)/charged to income statement	(3)	11
Effective tax rate	(2%)	14%

The Group taxation for the year ended 31 December 2024 was €3m credit (31 December 2023: €11m charge). The current tax charge of €1m (31 December 2023: €1m) arises on trading income and certain non trading transactions, subject to the chargeable gains regime. Please refer to Note 25 'Deferred taxation' for details of the components of deferred taxation.

(b) Reconciliation of standard to effective tax rate

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Profit on the Group activities before tax	159	79
Tax calculated at standard ROI corporation tax rate of 12.5% (2023: 12.5%)	20	10
Tax effect of non-deductible expenses and non-trading income	-	1
Previously unrecognised tax losses	(16)	-
Adjustments of tax for prior periods	(6)	-
Other	(1)	-
Taxation (credited)/charged to income statement	(3)	11

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

	Year ended 31 December 2024		
	Gross €m	Tax €m	Net €m
Revaluation of property	(11)	4	(7)
Fair value reserve:			
- Change in fair value of equity instruments	4	(1)	3
- Current tax on equity instrument disposal	-	-	-
- Deferred tax on equity instrument disposal	-	-	-
31 December 2024	(7)	3	(4)

10. Taxation (continued)

	Year ended 31 December 2023		
	Gross	Tax	Net
	€m	€m	€m
Revaluation of property	(12)	5	(7)
Fair value reserve:			
- Change in fair value of equity instruments	5	(2)	3
- Current tax on equity instrument disposal	21	(6)	15
- Deferred tax on equity instrument disposal	(21)	6	(15)
31 December 2023	(7)	3	(4)

11. Earnings per ordinary share

(a) Basic earnings per ordinary share

	Year ended 31 December 2024	Year ended 31 December 2023
Weighted average number of ordinary shares in issue and ranking for dividend excluding treasury shares	545,458,174	545,584,539
Profit for the year attributable to equity holders	€162m	€68m
Less AT1 coupon paid (see note 33)	(€43m)	(€43m)
Profit for the year attributable to equity holders less AT1 coupon paid	€119m	€25m
Basic earnings per ordinary share (€ cent)	21.7	4.5

(b) Diluted earnings per ordinary share

	Year ended 31 December 2024	Year ended 31 December 2023
Weighted average number of ordinary shares excluding treasury shares held under employee benefit trust used in the calculation of diluted earnings per share	545,458,174	545,584,539
Diluted earnings per ordinary share (€ cent)	21.7	4.5

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

No adjustment to the weighted average number of ordinary shares for the effects of dilutive potential ordinary shares was required for the year ended 31 December 2024 or 31 December 2023, as the AT1 securities issued in 2022 and 2020 have no conversion features within the securities.

11. Earnings per ordinary share (continued)

Weighted average number of ordinary shares*

	2024	2023
Number of ordinary shares in issue at 1 January (note 33)	545,589,119	545,589,119
Treasury shares held (note 33)	(4,580)	(4,580)
Net movements during the year		
Weighted average shares bought back**	(126,365)	-
Weighted average number of ordinary shares	545,458,174	545,584,539

* When calculating the earnings per share the weighted average number of ordinary shares outstanding during the year and all years presented shall be adjusted for events other than the conversion of potential ordinary shares that have changed the number of ordinary shares without a corresponding change in reserves.
** On the 14 October 2024 the Group completed a share buyback of 592,943 ordinary shares. See note 33 for further details.

There are no instruments with a potential to be converted to ordinary shares at 31 December 2024. The AT1 securities issued in 2022 and 2020 have no conversion features within the securities.

12. Cash and cash equivalents

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

	31 December 2024 €m	31 December 2023 €m
Cash at bank	72	71
Items in the course of collection	23	40
Loans and advances to banks repayable on demand (maturity of less than 3 months) (note 13)	2,202	2,051
Cash and cash equivalents as per statement of cash flows	2,297	2,162

At 31 December 2024, restricted cash of €181m (31 December 2023: €217m) (which is within loans and advances to banks repayable on demand) consists of cash of €180m (31 December 2023: €217m) held by the Group's securitisation entities and €1m (31 December 2023: €nil) which relates to cash collateral placed with counterparties in relation to derivative positions and repurchase agreements.

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

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

13. Loans and advances to banks

	31 December 2024 €m	31 December 2023 €m
Held at amortised cost		
Placed with central banks	1,887	1,688
Placed with other banks	315	363
Loans and advances to banks	2,202	2,051

Placements with other banks includes restricted cash of €181m (31 December 2023: €217m) of which €180m (31 December 2023: €217m) is held by the Group's securitisation entities and €1m (31 December 2023: €nil) which relates to cash collateral placed with counterparties in relation to derivative positions and repurchase agreements. The fair value of collateral pledged by counterparties in relation to reverse repurchase agreements at 31 December 2024 is €341m (31 December 2023: €nil).

Loans and advances to banks amounting to €2,202m (31 December 2023: €2,051m) have a maturity of less than three months and therefore have been treated as cash and cash equivalents.

14. Derivative financial instruments

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

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

The derivative instruments used by the Group include:

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

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

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

	31 December 2024			31 December 2023		
	Contract/ notional amount €m	Fair value asset €m	Fair value liability €m	Contract/ notional amount €m	Fair value asset €m	Fair value liability €m
Derivatives held for hedging						
Interest rate swaps	1,900	59		1,200	36	-
	1,900	59	-	1,200	36	-
Derivatives held for trading						
Currency Forwards	51	-	-	57	-	1
	51	-	-	57	-	1
Derivative financial instruments as per the statement of financial position	1,951	59	-	1,257	36	1

Fair value hedges of interest rate risk

The Group uses fair value hedge accounting for hedge relationships to protect against changes in the fair value of financial assets and financial liabilities due to movements in interest rates. The Group uses interest rate swaps to hedge fair value interest rate risk. The financial instruments that are currently hedged for interest rate risk are fixed rate debt securities in issue and subordinated debt. All hedging instruments are included within derivative financial instruments on the balance sheet and hedge ineffectiveness is included within net trading income on the income statement (31 December 2024 €nil, 31 December 2023 €nil).

The Group held the following interest rate swaps as hedging instruments in fair value hedges of interest rate risk at 31 December 2024 and 31 December 2023.

Fair value hedges - Interest rate swaps*

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

14. Derivative financial instruments (continued)

31 December 2023	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	5 years +
Liabilities:					
Hedges of debt securities in issue					
Nominal principal amount (€m)	-	-	300	650	-
Average interest rate (%)	-	-	3.89%	3.17%	-
Hedges of subordinated debt					
Nominal principal amount (€m)	-	-	-	250	-
Average interest rate (%)	-	-	-	3.48%	-

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

The tables below set out the amounts relating to items designated as (a) hedging instruments and (b) hedged items in fair value hedges of interest rate risk together with the related hedge ineffectiveness at 31 December 2024 and December 2023.

(a) Hedging Instruments

31 December 2024	Nominal €m	Assets €m	Liabilities €m	Line item in SOFP where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness for the year €m	Hedge ineffectiveness recognised in the income statement €m	Line item in the income statement that included hedge ineffectiveness
Interest rate swaps hedging:							
Debt securities in issue	1,650	53	-	Derivative assets	19	-	Net trading income
Subordinated debt	250	6	-	Derivative assets	-	-	Net trading income

31 December 2023	Nominal €m	Assets €m	Liabilities €m	Line item in SOFP where the hedging instrument is included	Change in fair value used for calculating hedge ineffectiveness for the year €m	Hedge ineffectiveness recognised in the income statement €m	Line item in the income statement that included hedge ineffectiveness
Interest rate swaps hedging:							
Debt securities in issue	950	30	-	Derivative assets	14	-	Net trading income
Subordinated debt	250	6	-	Derivative assets	5	-	Net trading income

14. Derivative financial instruments (continued)

(b) Hedged Items

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

31 December 2023	Carrying amount of hedged items recognised in the SOFP		Accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of the hedged item		Line item in the SOFP where hedged item is included	Change in fair value of hedged items used for calculating hedge ineffectiveness for the year	Accumulated amount of fair value hedge adjustments remaining in the SOFP for any hedged items that have ceased to be adjusted for hedging
	Assets	Liabilities	Assets	Liabilities			
	€m	€m	€m	€m		€m	€m
Debt securities in issue	-	(997)	-	(14)	Debt securities in issue	(14)	-
Subordinated debt	-	(257)	-	(5)	Subordinated liabilities	(5)	-

15. Other assets

	31 December 2024	31 December 2023
	€m	€m
Receivables	-	57
Other	7	3
	7	60

Other assets include €6m relating to our Interest First deposit product at 31 December 2024 (31 December 2023: €nil).

Receivables of €57m at 31 December 2023 relates to amounts due to the Group on completion of the liquidation of PBI Ltd which entered liquidation on 15 December 2023. This was received during 2024.

16. Assets classified as held for sale

At 31 December 2024, assets classified as held for sale of €12m (31 December 2023: €12m) consists of:

- €7m (31 December 2023: €11m) which relates to collateral in possession, these properties are expected to be sold within the next 12 months; and
- €5m (31 December 2023: €1m) which relates to three branch properties (31 December 2023: two branch properties) that are no longer occupied by the Group, the sales of these properties are expected to complete within the next 12 months.

17. Debt securities

	31 December 2024 Total HTC €m	31 December 2023 Total HTC €m
Government bonds	4,259	3,256
Covered bonds	68	-
Gross debt securities	4,327	3,256

As at 31 December 2024, all unpledged debt securities are available to be used and are eligible as collateral (though eligibility will depend on the criteria of the counterparty) in sale and repurchase agreements.

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

Government bonds of €4.3bn (31 December 2023: €3.3bn) comprise of Irish, Spanish, Portuguese, French, Italian, Belgian, Austrian and EU government bonds which are classified as HTC.

Covered bonds of €0.1bn (31 December 2023: €nil) comprise of French corporate bonds which are classified as HTC.

The HTC securities represent a portfolio of securities structured for the purpose of collecting contractual cashflows to maturity. The Group has no HTC&S debt securities as at 31 December 2024 and 31 December 2023.

At 31 December 2024, debt securities at amortised cost with a fair value of €371m (31 December 2023: €529m) had been pledged to third parties in sale and repurchase agreements. The Group has not derecognised any securities delivered in such sale and repurchase agreements on the statement of financial position.

All debt securities at 31 December 2024 are stage 1 for ECL purposes.

(a) HTC

The movement in HTC securities is classified as follows:

	31 December 2024 HTC €m	31 December 2023 HTC €m
As at 1 January	3,256	3,177
Additions	1,212	828
Maturities	(170)	(728)
Interest net of cash receipts	7	(14)
Amortisation of premium/(discount)	22	(7)
Total	4,327	3,256

(b) Amounts arising from impairment provisioning on debt securities:
Held at amortised cost

As at 31 December 2024, the amount arising from ECL on debt securities measured at amortised cost is €0.6m (31 December 2023: €0.6m). The ECL on debt instruments measured at amortised cost is offset against the carrying amount of the assets in the statement of financial position.

18. Equity securities

	31 December 2024 €m	31 December 2023 €m
As at 1 January	5	30
Revaluation	4	5
Disposal	-	(30)
Total equity securities	9	5

The carrying value of equity securities can be analysed as follows:

	31 December 2024 €m	31 December 2023 €m
Unlisted	9	5
Gross equity securities	9	5

The Group holds Series A and Series B preferred stock in Visa Inc. at 31 December 2024 with a value of €9m (31 December 2023: €5m). The Series A preferred stock was issued from Visa Inc during 2024 upon the conversion of Series B preferred stock. These were fair valued at Series A €7m and Series B €2m at 31 December 2024 (31 December 2023: €nil and €5m) and are recognised in the Statement of Financial Position at FVOCI.

During 2023 the Group disposed of its previous holding of Visa A shares for €30m. These Series A preferred stock were initially issued upon the conversion of Series B preferred stock by Visa Inc in 2020.

The fair value of the preferred stock Series A is classified as Level 1 and the fair value of the preferred stock Series B is classified as Level 3, as the valuation of these preferred stock includes inputs that are based on unobservable data (refer to note 35 for details).

19. Prepayments and contract assets

	31 December 2024 €m	31 December 2023 €m
Visa prepayments	30	43
Other prepayments	33	37
	63	80

20. Loans and advances to customers

Loans and advances by category are set out below:

	31 December 2024 €m	31 December 2023 €m
Residential mortgages		
- Held through special purpose entities	5,342	5,664
- Held directly	14,661	14,642
Total residential mortgages	20,003	20,306
Commercial mortgage loans	493	437
Consumer finance	553	499
Finance leases and hire purchase receivables	466	446
Gross loans and advances to customers	21,515	21,688
Less: provision for impairment (note 21)	(392)	(570)
Deferred fees, discounts and business combination related fair value adjustments	300	309
Net loans and advances to customers	21,423	21,427

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

	Gross loans and advances to customers		Net loans and advances to customers	
	31 December 2024 €m	31 December 2023 €m	31 December 2024 €m	31 December 2023 €m
Tracker rate	2,692	3,453	2,563	3,186
Variable rate	4,669	3,788	4,525	3,632
Fixed rate	14,154	14,447	14,035	14,300
Gross loans and advances to customers	21,515	21,688	21,123	21,118
Deferred fees, discounts and business combination related fair value adjustments	300	309	300	309
Gross loans and advances to customers and deferred fees	21,815	21,997	21,423	21,427

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

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

	31 December 2024 €m	31 December 2023 €m
Residential mortgages held through special purpose entities	5,342	5,664
Notes issued by special purpose entities		
- rated	5,164	4,911
- unrated	262	806

20. Loans and advances to customers (continued)

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

	31 December 2024 €m	31 December 2023 €
Held by other banks and institutions as part of collateralised lending or sale and repurchase agreements (note 26)	-	287
Rated notes, available for collateral *	4,265	3,725
Rated notes, unavailable for collateral	899	899
Unrated notes	262	806
	5,426	5,717

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

Loans and advances balance movement for the year ended 31 December 2024 and the year ended 31 December 2023 is set out in the following tables:

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

*Loan originations are net of repayments in the year

20. Loans and advances to customers (continued)

	Non-credit impaired		Credit impaired		Total
	Stage 1	Stage 2	Stage 3	POCI	
	€m	€m	€m	€m	€m
Balance as at 1 January 2023	17,455	1,699	649	1	19,804
New assets originated*	2,205	122	10	-	2,337
Loans acquired**	1,308	127	55	-	1,490
Stage Transfers:					
Transfers from Stage 1 to Stage 2	(432)	432	-	-	-
Transfers to Stage 3	(43)	(136)	179	-	-
Transfers from Stage 2 to Stage 1	195	(195)	-	-	-
Transfers from Stage 3	-	95	(95)	-	-
Net movement arising from transfer of Stage	(280)	196	84	-	-
Redemptions and repayments	(1,631)	(230)	(62)	-	(1,923)
Decrease due to write offs	-	(1)	(18)	-	(19)
Disposals	-	-	-	-	-
Other movements	-	-	-	(1)	(1)
Balance as at 31 December 2023	19,057	1,913	718	-	21,688

*Loan originations are net of repayments in the year
**Net of repayments

Amounts receivable under finance leases and hire purchase receivables
The following balances principally comprise of leasing arrangements and hire purchase agreements of vehicles, plant, machinery and equipment:

	31 December 2024 €m	31 December 2023 €m
Gross receivables		
Not later than 1 year	184	172
Later than 1 year and not later than 2 years	146	138
Later than 2 years and not later than 3 years	99	97
Later than 3 years and not later than 4 years	60	59
Later than 4 years and not later than 5 years	26	26
Later than 5 years	7	8
Total	522	500
Unearned future finance income	(56)	(54)
Deferred costs incurred on origination	6	5
Present value of minimum payments	472	451
ECL allowance for uncollectible minimum payments receivable	(19)	(20)

21. Impairment provisions

Loans and advances to customers

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

The non-performing loan balance as at 31 December 2024 was €382m (31 December 2023: €718m). Refer to note 36 for further details.

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

				ECL provisions				
31 December 2023	Loans and advances to customers	of which NPLs	NPL % of total loans	Stage 1	Stage 2	Stage 3	Total	Total ECL provisions as % of total loans
	€m	€m	%	€m	€m	€m	€m	%
Residential:								
- Home loans	19,557	403	2.1%	131	51	110	292	1.5%
- Buy-to-let	749	267	35.6%	2	58	99	159	21.2%
Commercial	437	20	4.6%	8	47	11	66	15.1%
Consumer finance	499	16	3.2%	12	8	13	33	6.6%
Finance leases and hire purchase receivables	446	12	2.7%	12	-	8	20	4.5%
Total gross loans	21,688	718	3.3%	165	164	241	570	2.6%
Impairment provision	(570)							
Deferred fees, discounts and business combination related fair value adjustments	309							
Balance as at 31 December 2023	21,427							

21. Impairment provisions (continued)

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

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

*The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier than collateral realisation.
**Closing ECL incorporates ECL of €12m on loan commitments.
***Includes impairment charge on deleveraging (€9m) and provisions on loan commitments where there is no recognised financial asset (€4m).

21. Impairment provisions (continued)

2023	Residential mortgages €m	Commercial €m	Consumer finance €m	Finance leases and hire purchase receivables €m	Total €m
Total by portfolio					
ECL as at 1 January 2023	447	40	34	-	521
Redemptions and repayments	(22)	(1)	-	-	(23)
Net remeasurement of loss allowance	(8)	2	(5)	-	(11)
Loan originations	29	16	3	-	48
Loans acquired	12	10	4	20	46
Net movement excluding derecognition	11	27	2	20	60
Derecognition-disposals	-	-	-	-	-
Derecognition-repossessions	-	-	-	-	-
Derecognition-write offs*	(7)	(1)	(3)	-	(11)
Derecognition	(7)	(1)	(3)	-	(11)
ECL as at 31 December 2023**	451	66	33	20	570
Net movement excluding derecognition (from above)					60
Interest income booked but not recognised					(12)
Other movements***					6
Write offs net of recoveries					2
Impairment charge on loans and advances to customers for the year ended 31 December 2023					56

*The Group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier than collateral realisation.
**Closing ECL incorporates ECL of €8m on loan commitments.
***Includes costs in respect of deleveraging (€2m) and impairment of interest in associated undertakings (€4m).

21. Impairment provisions (continued)

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

*The group writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write off may be earlier than collateral realisation.
**Closing ECL incorporates ECL of €12m on loan commitments.
***Includes impairment charge on deleveraging (€9m) and provisions on loan commitments where there is no recognised financial asset (€4m).

21. Impairment provisions (continued)

2023	Stage 1 €m	Stage 2 €m	Stage 3 €m	Total €m
Total by stage				
ECL as at 1 January 2023	136	163	222	521
Transfer to Stage 1	31	(30)	(1)	-
Transfer to Stage 2	(6)	21	(15)	-
Transfer to Stage 3	-	(21)	21	-
Stage transfers	25	(30)	5	-
Redemptions and repayments	(5)	(11)	(7)	(23)
Net remeasurement of loss allowance	(38)	12	15	(11)
Loan originations	18	27	3	48
Loans Acquired	29	3	14	46
Net movement excluding derecognition	4	31	25	60
Derecognition-disposals	-	-	-	-
Derecognition-repossessions	-	-	-	-
Derecognition-write offs*	-	-	(11)	(11)
Derecognition	-	-	(11)	(11)
ECL as at 31 December 2023**	165	164	241	570
Net movement excluding derecognition (from above)				60
Interest income booked but not recognised				(12)
Other movements***				6
Write offs net of recoveries				2
Impairment charge on loans and advances to customers for the year ended 31 December 2023				56

*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. In circumstances where the net realisable value of any collateral has been determined and there is no reasonable expectation of further recovery, write off may be earlier than collateral realisation.
**Closing ECL incorporates ECL of €8m on loan commitments.
***Includes costs in respect of deleveraging (€2m) and impairment of interest in associated undertakings (€4m).

Modified Financial Assets

There have been no significant modified financial assets for which the loss allowance has changed from lifetime to 12-month ECL at 31 December 2024 and 31 December 2023.

22. Interest in associated undertakings

	31 December 2024 €m	31 December 2023 €m
Clearpay	1	1
First Home Scheme Ireland	20	15
	21	16

The Group owns a non-controlling interest in Clearpay DAC (33%) as at 31 December 2024. This investment is accounted for under the equity method in the consolidated financial statements and has a carrying value of €1m at 31 December 2024 (31 December 2023: €1m). This investment will be increased or decreased by the Group's share of the profit or loss which will be assessed annually.

On 15 November 2023 Synch Payments DAC announced that it would cease operations and an impairment of €3.5m was recognised in 2023. In 2024, the Group ceased recognising its investment in Synch Payments DAC as it was liquidated on 26 February 2024.

On 1 July 2022, the Group invested in First Home Scheme Ireland DAC along with the Irish Government, AIB and Bank of Ireland. First Home Scheme Ireland DAC is incorporated and operates in the Republic of Ireland providing equity support to future homeowners by taking a beneficial interest in residential dwellings which enables customers to purchase these residential dwellings. The participants fund these purchases, as well as costs, through a loan facility. The Group owns a non-controlling interest of 25% as 31 December 2024. This investment in associate is accounted for under the equity method in the consolidated financial statements and was initially recognised at €11m being the Group's agreed 13.5% contribution rate.

The Group has presented summarised financial information of the First Home Scheme Ireland DAC in line with IFRS 12 below as well as a reconciliation of the summarised financial information to the carrying value above.

	31 December 2024 €m	31 December 2023 €m
Summarised Statement of financial position		
Current assets	41	58
Cash and cash equivalents	41	58
Non-current assets	226	89
Current liabilities	(1)	(1)
Non-current liabilities	(266)	(146)
Non-current financial liabilities	(266)	(146)
Summarised Income statement		
Other operating income	13	9
Operating expenses	(7)	(6)
Finance expense	(6)	(3)
Reconciliation of summarised financial information to carrying value		
1 January	15	10
Share of loan facility*	2	-
Drawdowns of loan facility**	3	5
31 December	20	15

*The Group's share of the loan facility is based on the finance expense amount disclosed above and the share of the remaining profit from the Revenue less Operating expenses above.
**The total drawdowns on the loan facility are disclosed in the notes to the First Home Scheme Ireland DAC financial statements. The amount above is the Group's contributions.

In presenting details of the associates of the Group, the exemption permitted by Section 316 of the Companies Act 2014 has been availed of and the Group will annex a full listing of associates to its annual return to the Companies Registration Office.

23. Property and equipment

2024	Held at fair value land and buildings €m	Fixtures and fittings €m	Held at cost office and computer equipment €m	Right-of-use assets* Leased buildings €m	Right-of-use assets* Leased motor vehicles €m	Total €m
Cost or valuation						
At 1 January	86	147	118	65	3	419
Additions	-	12	2	5	2	21
Revaluations	(11)	-	-	-	-	(11)
Depreciation write-back on revaluation	(1)	-	-	-	-	(1)
Disposals or cancellations	(3)	-	-	-	-	(3)
At 31 December	71	159	120	70	5	425
Accumulated depreciation						
At 1 January	-	(93)	(87)	(31)	(3)	(214)
Provided in the year	(1)	(10)	(11)	(6)	(1)	(29)
Eliminate on revaluation	1	-	-	-	-	1
At 31 December	-	(103)	(98)	(37)	(4)	(242)
Net book value at 31 December	71	56	22	33	1	183

*For further details on right-of-use assets refer to note 32.

Of the €11m net revaluation loss, €11m is included in the revaluation reserve in the statement of comprehensive income and no impairment write-back is recognised on land and buildings in the income statement.

2023	Held at fair value land and buildings €m	Fixtures and fittings €m	Held at cost office and computer equipment €m	Right-of-use assets* Leased buildings €m	Right-of-use assets* Leased motor vehicles €m	Total €m
Cost or valuation						
At 1 January	91	128	109	61	3	392
Additions	-	19	9	1	-	29
Additions from Business Combinations	9	-	-	3	-	12
Revaluations	(12)	-	-	-	-	(12)
Depreciation write-back on revaluation	(1)	-	-	-	-	(1)
Disposals or cancellations	(1)	-	-	-	-	(1)
At 31 December	86	147	118	65	3	419
Accumulated depreciation						
At 1 January	-	(84)	(77)	(25)	(2)	(188)
Provided in the year	(1)	(9)	(10)	(6)	(1)	(27)
Eliminate on revaluation	1	-	-	-	-	1
At 31 December	-	(93)	(87)	(31)	(3)	(214)
Net book value at 31 December	86	54	31	34	-	205

*For further details on right-of-use assets refer to note 32.

23. Property and equipment (continued)

Of the €12m revaluation loss, €12m is included in the revaluation reserve in the statement of comprehensive income and no impairment write-back is recognised on land and buildings in the income statement.

The net book value of land and buildings includes the following:

	31 December 2024 €m	31 December 2023 €m
Land	24	26
Buildings - freehold fair value	47	60
Buildings - fixtures and fittings	45	42
Buildings - leasehold	44	46
	160	174

Buildings – leasehold includes €11m (31 December 2023: €12m) of fixtures and fittings within leased buildings.

Land and buildings as at 31 December 2024 held at fair value was €71m (31 December 2023: €86m). The historic cost of land and buildings under the cost model is €43m (31 December 2023: €44m).

Fair value measurement of Group's land and buildings

The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation less any accumulated depreciation recognised from the date of the latest revaluation. On the date of revaluation any accumulated depreciation is eliminated. The fair value measurements of the Group's freehold land and buildings as at 31 December 2024 and 31 December 2023 were performed by independent professional valuers having appropriate qualifications and recent experience in the fair value measurement of properties in the locations and categories being valued. The effective date of revaluation is 31 October 2024 and 30 November 2023.

The fair value of the freehold land and buildings was determined based on a market comparable approach that reflects recent transaction prices for similar properties using capitalisation yields ranging from 6.64% to 10.50%. There has been no change to the valuation techniques during the year.

Details of the freehold land and buildings and information about the fair value hierarchy as defined in the Group's accounting policy as at 31 December 2024 and 31 December 2023 are as follows:

31 December 2024	Level 1 €m	Level 2 €m	Level 3 €m	Total fair value €m
Land	-	-	24	24
Buildings - freehold	-	-	47	47
	-	-	71	71

31 December 2023	Level 1 €m	Level 2 €m	Level 3 €m	Total fair value €m
Land	-	-	26	26
Buildings - freehold	-	-	60	60
	-	-	86	86

23. Property and equipment (continued)

Key unobservable inputs

The following table summarises the valuation techniques and inputs used in the determination of freehold land and building values:

31 December 2024	Cap Yield %			Rent per sqm €		
	Low	High	weighted average	Low	High	weighted average
Freehold Land and Buildings						
Urban Centres	6.64%	8.50%	6.87%	237	1,700	626
Urban Other	7.50%	9.75%	8.15%	210	770	351
Rural	8.00%	10.50%	8.99%	108	269	202

31 December 2023	Cap Yield %			Rent per sqm €		
	Low	High	weighted average	Low	High	weighted average
Freehold Land and Buildings						
Urban Centres	5.35%	9.65%	9.03%	237	4,252	657
Urban Other	7.50%	9.50%	8.23%	194	770	348
Rural	8.00%	10.75%	9.07%	108	266	196

Interrelationship between key unobservable inputs and fair value measurement

The estimated fair value would increase/(decrease) if:

- capital yield were higher (lower)
- the rent per square metre were higher (lower)

24. Intangible assets

Software	31 December 2024 €m	31 December 2023 €m
Cost		
At 1 January	360	293
Additions	88	67
At 31 December	448	360
Accumulated amortisation		
At 1 January	(173)	(133)
Provided in the year	(62)	(40)
At 31 December	(235)	(173)
Net book value at 31 December	213	187

Research and development expenditure in the period to 31 December 2024 was €27m (31 December 2023: €28m) and is included in Note 7: Administrative, staff and other expenses (excluding exceptional items).

25. Deferred taxation

	31 December 2024 €m	31 December 2023 €m
Deferred tax liabilities	(15)	(18)
Deferred tax assets	331	327
Net deferred tax assets	316	309

Net deferred tax assets are attributable to the following:

2024	At 1 January €m	Recognised in income statement €m	Recognised in other comprehensive income €m	At 31 December €m
Property and equipment (including right of use assets)	(17)	-	4	(13)
Unrealised gains/(losses) on assets/liabilities	(1)	-	(1)	(2)
Losses carried forward, movements comprised of	323	-	-	323
- Losses generated/(utilised) in the period	-	(16)	-	(16)
- Losses previously unrecognised tax losses	-	16	-	16
Other temporary differences	-	4	-	4
Other Liabilities (including lease liabilities)	4	-	-	4
	309	4	3	316

2023	At 1 January €m	Recognised in income statement €m	Recognised in other comprehensive income €m	At 31 December €m
Property and equipment (including right of use assets)	(18)	(4)	5	(17)
Unrealised gains/(losses) on assets/liabilities	(7)	-	6	(1)
Losses carried forward	334	(11)	-	323
Other temporary differences	-	1	(1)	-
Other Liabilities (including lease liabilities)	-	4	-	4
	309	(10)	10	309

25. Deferred taxation (continued)

The Group applied Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) from 1 January 2023. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets.

In line with the requirements of IAS 12 "Deferred Tax Assets", Management and Directors formed the view that there should be sufficient future taxable profits within the PTSB legal entity against which PTSB tax losses carried forward can be used. Management and Directors have reviewed this position as at 31 December 2024 and remain of the view that it is appropriate to continue to recognise a deferred tax asset on the full quantum of tax losses carried forward in PTSB. This information is based on the following supporting evidence: (i) A review of the quantum of tax losses carried forward in PTSB in conjunction with forecasted profitability (the projections used having been approved by the Board of Directors). This review demonstrated that it is probable that there will be sufficient future taxable profits within PTSB against which the full quantum of tax losses carried forward can be utilised; (ii) The consideration of forecasting risks, including sensitivity analysis on the financial projections used (including an analysis of the effects of higher than expected impairment levels and lower than expected net interest margin). This analysis demonstrated, were certain adverse events to occur, it would remain probable that there would be sufficient future taxable profits within PTSB against which the full quantum of tax losses carried forward could be utilised, albeit that the period of time over which such utilisation would occur would be extended; and (iii) The consideration of a number of other factors which may impact the utilisation of the tax losses including the macroeconomic environment, progress made on the Group's NPL strategy and the Group's financial position. These factors are set out in further details in note 2, Critical accounting estimates and judgements.

It should also be noted that under current Irish tax legislation there is no time restriction on the utilisation of trading losses. Therefore, the tax losses carried forward in PTSB are available for utilisation against profits of the same trade in any future period. Also, the Directors are satisfied that taxable future profits should be available to recover the remaining deferred tax assets.

The total unrecognised deferred tax assets on carried forward tax losses at 31 December 2024 amounted to €20m (31 December 2023: €36m).

Included in the overall deferred tax asset is a deferred tax asset of €nil in relation to Permanent TSB Group Holdings plc (31 December 2023: €nil).

In accordance with IFRS these balances are recognised on an undiscounted basis.

Pillar Two – minimum effective tax rate

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

26. Deposits by banks

	31 December 2024 €m	31 December 2023 €m
Placed by other banks and institutions on repurchase agreements	65	380
Other deposits	40	18
Deposits by banks	**105**	**398**

Securities which are sold under agreements to repurchase are secured by Irish and other eligible bonds. These agreements are completed under market standard Global Master Repurchase Agreements. The fair value of the financial assets pledged under existing agreement to repurchase is €371m at 31 December 2024 (31 December 2023: €529m). Other deposits include €40m (31 December 2023: €18m) of cash collateral placed with PTSB in relation to derivative positions and repurchase agreements.

27. Customer accounts

	31 December 2024 €m	31 December 2023 €m
Term deposits	5,104	3,028
Demand deposits	7,520	8,451
Current accounts	9,187	9,329
Notice and other accounts	2,309	2,158
Customer accounts	24,120	22,966

All customer accounts above are held at amortised cost.

At 31 December 2024, the Group held corporate deposits of €1,468m (31 December 2023: €1,316m).

An analysis of the contractual maturity profile of customer accounts is set out in the liquidity risk section of note 36 of the consolidated financial statements.

28. Debt securities in issue

	31 December 2024 €m	31 December 2023 €m
At amortised cost		
Bonds and medium-term notes	1,731	1,512
	1,731	1,512
Maturity analysis		
Repayable in less than 1 year	56	54
Repayable in greater than 1 year but less than 5 years	1,168	960
Repayable in greater than 5 years	507	498
	1,731	1,512

Bonds and medium-term notes
In the first half of 2024, PTSBGH issued €500m of Senior Unsecured Medium Term Notes at a fixed rate of 4.25% per annum, maturing on 10 July 2030. Interest is payable on the nominal amount annually in arrears on the coupon date.

Senior Unsecured Medium Term notes of €300m at a fixed rate of 5.25% were redeemed on the optional redemption date of 01 July 2024.

€1,650m of Senior Unsecured Medium Term Notes are currently hedged for fair value interest rate risk. At 31 December 2024, debt securities in issue contains €33m hedge adjustment (31 December 2023: €14m). Further details are included in note 14 of the financial statements.

29. Other liabilities

	31 December 2024 €m	31 December 2023 €m
Amounts falling due within one year		
PAYE and social insurance	6	6
Other taxation including deposit interest retention tax (DIRT)	12	4
Creditor accruals	67	95
Other*	9	8
Lease liability (see note 32 for further information on lease liabilities)	6	6
Total amounts falling due within one year	100	119
Amounts falling due greater than one year		
Lease liability (see note 32 for further information on lease liabilities)	29	29
Total amounts falling due greater than one year	29	29
Total other liabilities	129	148

* Other includes liability of €8m for Visa balances at 31 December 2024 (31 December 2023: €8m).

30. Provisions

	2024				2023			
	Restructuring costs €m	Provision for legacy, legal and compliance liabilities €m	Other €m	Total €m	Restructuring costs €m	Provision for legacy, legal and compliance liabilities €m	Other €m	Total €m
As at 1 January	2	13	25	40	4	23	53	80
Provisions made during the year	-	13	5	18	-	2	6	8
Write-back of provisions during the year	-	(3)	(2)	(5)	-	(1)	(6)	(7)
Provisions used during the year	(1)	(6)	-	(7)	(2)	(11)	(28)	(41)
As at 31 December	1	17	28	46	2	13	25	40

The provision at 31 December 2024 is €46m (31 December 2023: €40m) which is comprised of the following:

Restructuring costs

During 2020, the Group announced an Enterprise Transformation program. At 31 December 2020, a provision for restructuring of €27m was recognised based on the estimate of the costs of this program. From 2021, additional provisions of €10m were made and amounts of €36m were utilised. The remaining provision of €0.4m is included in the Restructuring provision. This program is expected to conclude in 2025.

The Group remains a lessee on a number of non-cancellable leases over properties that it no longer occupies following a restructure in 2013. A provision of €0.6m relates to dilapidation costs associated with these properties.

30. Provisions (continued)

Provision for legacy, legal and compliance liabilities

As at 31 December 2024, the Group has provisions of €17m relating to legal, compliance and other costs of ongoing disputes in relation to legacy business issues (31 December 2023: €13m).

A provision of €13m was made during 2024 relating to legal, compliance and other costs of ongoing disputes in relation to legacy business issues. €4m of this relates to ECL (31 December 2023: €nil) held against loan commitments (see note 41 for further detail) (where the loan commitment relates to a loan already recognised as a financial asset, the ECL is recognised in Loans and advances to customers).

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

Other

As at 31 December 2024, Other provisions of €28m (31 December 2023: €25m) primarily relates to indemnities and guarantees provided by the Group, along with warranties relating to the deleveraging of various asset portfolios.

31. Subordinated liabilities

	31 December 2024 €m	31 December 2023 €m
At amortised cost:		
€250m Tier 2 capital notes due August 2031, Callable 2026	**257**	257
	257	257

	31 December 2024 €m	31 December 2023 €m
Maturity date		
Repayable in less than 1 year	**3**	3
Repayable in greater than 1 year but less than 5 years	**-**	-
Repayable in greater than 5 years	**254**	254
	257	257

Tier 2 capital notes – PTSBGH

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

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

The Tier 2 capital notes are currently hedged for fair value interest rate risk. At 31 December 2024, subordinated liabilities contain €5m hedge adjustment (31 December 2023: €5m). Further details on hedging are included in note 14 of the financial statements.

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

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

The Group did not have any defaults of principal or interest or other breaches with respect to its subordinated liabilities during the years ended 31 December 2024 and 31 December 2023.

32. Leases

Right-of-use assets*	Land and buildings €m	Motor vehicles €m	Total €m
As at 1 January 2024	34	-	34
Additions	5	2	7
Lease exits and cancellations	-	-	-
Depreciation of right-of-use assets	(6)	(1)	(7)
Balance as at 31 December 2024	33	1	34

Right-of-use assets*	Land and buildings €m	Motor vehicles €m	Total €m
As at 1 January 2023	36	1	37
Additions	4	-	4
Lease exits and cancellations	-	-	-
Depreciation of right-of-use assets	(6)	(1)	(7)
Balance as at 31 December 2023	34	-	34

Lease liabilities*	Land and buildings €m	Motor vehicles €m	Total €m
As at 1 January 2024	35	-	35
Additions	5	2	7
Lease exits or cancellations	-	-	-
Repayment of lease liabilities	(6)	(1)	(7)
Balance as at 31 December 2024	34	1	35

Lease liabilities*	Land and buildings €m	Motor vehicles €m	Total €m
As at 1 January 2023	37	1	38
Additions	4	-	4
Lease exits or cancellations	-	-	-
Repayment of lease liabilities	(6)	(1)	(7)
Balance as at 31 December 2023	35	-	35

* Right-of-use assets are included in Property and equipment and lease liabilities are included in Other liabilities.

32. Leases (continued)

Lease liabilities	31 December 2024 €m	31 December 2023 €m
Maturity analysis - contractual undiscounted cash flows*		
Less than one year	6	7
One to five years	19	18
More than five years	12	12
Total undiscounted lease liabilities	37	37
Lease liabilities included in the statement of financial position	35	35
Current lease liability	6	6
Non-current lease liability	29	29

* The maturity analysis of undiscounted lease liabilities are disclosed in note 36.

Amounts recognised in income statement

	31 December 2024 €m	31 December 2023 €m
Interest on lease liabilities*	(1)	(1)
Expenses relating to short-term leases	(1)	-
Depreciation of right-of-use assets	(7)	(7)
Total charge in income statement	(9)	(8)

* Interest expense on the lease liabilities amounted to €0.6m (31 December 2023: €0.9m) whereas expenses relating to short-term leases amounted to €0.8m (31 December 2023: €0.5m) and is included in Administrative, staff and other expenses (excluding exceptional items).

Amounts recognised in statement of cash flow

	31 December 2024 €m	31 December 2023 €m
Operating cashflows:		
Short-term leases	(1)	-
Financing cash flows:		
Cash outflow for leases principal and interest	(7)	(7)
Total	(8)	(7)

As a lessee

(i) Real estate

The Group leases retail properties for its branch operations. The lease term of retail properties typically run for a period of 10-35 years. The Group does not have variable lease payments and its leases do not contain extension options.

(ii) Vehicles

The Group leases vehicles with lease terms of three to five years. The Group has no option to purchase the assets at the end of the contract term and it does not guarantee the residual value of the leased assets at the end of the contract term.

(iii) Sub-leases

The Group has no sub-leases as at 31 December 2024 (31 December 2023: no sub-leases). Further details on 'leases as a lessor' are included in note 1 of the financial statements.

33. Share capital, reserves and other equity instruments

Share capital

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

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

Authorised share capital

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

31 December 2023	Number of shares	31 December 2023 €m
Ordinary shares of €0.50 each	1,550,000,000	775

Issued share capital

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

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

Balances as at 31 December 2023	€ 0.50 Ordinary shares	Total
As at 1 January 2023	545,589,119	
Movement	-	
As at 31 December 2023	545,589,119	
Issued share capital (€m)	273	273
Shares held under employee benefit trust	4,580	
% of authorised capital issued		35%

* In 2024 Permanent TSB Group Holdings plc completed a share buyback of 592,943 ordinary shares at a price of €1.74 per ordinary share totalling €1m. The shares were recognised as treasury shares upon repurchase and were subsequently cancelled. The nominal amount, €0.30m, was transferred from share capital to the capital redemption reserve with the total repurchase amount of €1m being deducted from retained earnings in addition to €1m of related transaction costs. The number of ordinary shares in issue at 31 December 2024 was 544,996,176 (31 December 2023: 545,589,119).

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

Share Premium

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

Other Reserves

Revaluation reserve (Non-distributable)

The revaluation reserve is a non-distributable reserve comprising unrealised gains or losses, net of tax, on the revaluation of owner occupied properties.

Fair value reserve (Non-distributable)

The fair value reserve comprises:

- the cumulative net change in the fair value of equity securities measured at FVOCI; and
- the cumulative net change in the fair value of debt securities measured at FVOCI until the assets are derecognised or reclassified. This amount is increased by the amount of loss allowance and is disposed of by the end of the year.

Other capital reserves (Non-distributable)

Other capital reserves includes €1,087m capital issued by the Company net of €7m capital redemption reserve from the repurchase and cancellation of shares and €224m incurred in the cancellation of the share capital and share premium of PTSB on the incorporation of the Company. €1m was transferred into the capital redemption reserve during 2024 as a result of the share buyback.

Retained earnings

Retained earnings include distributable and non-distributable earnings. This reserve represents the retained earnings of the holding Company and subsidiaries after consolidation adjustments.

€43m (31 December 2023: €43m) coupon interest on the AT1 securities was paid from this reserve during 2024.

Other equity instruments – (Non-distributable)
Additional Tier 1 securities

	31 December 2024 €m	31 December 2023 €m
As at 1 January	368	368
Profit	43	43
AT1 coupon paid	(43)	(43)
Additional Tier 1 securities	368	368

On 26 October 2022, PTSBGH issued additional €250m AT1 Fixed Rate Reset Perpetual Temporary Write Down Securities. The transaction costs incurred were €5m. The first reset date for the fixed rate is 26 April 2028. The AT1 securities are perpetual and redeemable financial instruments with a semi-annual coupon of 13.25% paid in arrears on 26 April and 26 October of each year, commencing on 26 April 2023. The Company may, at its sole discretion, redeem the AT1 securities in full on any day falling in the period commencing 26 October 2027 and the first reset date above and on every interest payment date thereafter (subject to the approval of the Supervisory Authority) at the prevailing principal amount together with accrued but unpaid interest. In addition, the securities are redeemable at the option of the Company for certain regulatory or tax reasons, subject to regulatory approval. On the first reset date on 26 April 2028, in the event the securities are not redeemed, interest will be reset to Euro 5 year Mid Swap rate plus a margin of 10.546% (converted from an annual to a semi-annual rate). The Company may elect at its full discretion at any time to cancel permanently (in whole or in part) the interest amount otherwise scheduled to be paid on an interest payment date.

On 25 November 2020, PTSBGH issued €125m nominal value of AT1 Perpetual Temporary Write Down Securities as part of a capital raise. The transaction costs incurred were €2m. The first reset date for the fixed rate is 25 May 2026. The AT1 securities are perpetual and redeemable financial instruments with a semi-annual coupon of 7.875% paid in arrears on 25 May and 25 November of each year. The Company may, at its sole discretion, redeem the AT1 securities in full on any day falling in the period commencing 25 November 2025 and the first reset date above and on every interest payment date thereafter (subject to the approval of the Supervisory Authority) at the prevailing principal amount together with accrued but unpaid interest. In addition, the securities are redeemable at the option of the Company for certain regulatory or tax reasons, subject to regulatory approval. On the first reset date on 25 May 2026, in the event the securities are not redeemed, interest will be reset to Euro 5 year Mid Swap rate plus a margin of 8.468% (converted from an annual to a semi-annual rate). The Company may elect at its full discretion at any time to cancel permanently (in whole or in part) the interest amount otherwise scheduled to be paid on an interest payment date.

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

The Company may use such cancelled payments without restriction, including to make distributions or any other payments to the holders of its shares or any other securities issued by the Company. Any cancellation of interest payments will be permanent and on a non-cumulative basis and such cancellation will not give rise to or impose any restriction on the Company.

Under the EU (Bank Recovery and Resolution) Regulations 2015, these securities are loss absorbing at the point of non-viability.

On the occurrence of a trigger event, at any time, any accrued and unpaid interest up to (but excluding) the write down date shall be automatically and irrevocably cancelled, and the then Prevailing Principal Amount of each Security shall be automatically and irrevocably reduced by the write down amount. This will occur if the CET1 Capital Ratio of PTSB or the Group at any time falls below 7%. Subsequent to any write-down event the Company may, at its sole discretion, write-up some or all of the written-down principal amount of the AT1 instrument provided regulatory capital requirements and the securities rank behind the claims against the Group of all other subordinated and unsubordinated creditors.

34. Analysis of other comprehensive income

The analysis of other comprehensive income below provides additional analysis to the information provided in the primary statements and should be read in conjunction with the consolidated statement of changes in equity.

31 December 2024	Revaluation reserve	Fair value reserve	Total
	€m	€m	€m
Other comprehensive income/(expense) net of tax			
Revaluation of property	(7)	-	(7)
Fair value reserve (equity instruments)			
Change in fair value of equity instruments	-	3	3
Total other comprehensive income/(expense), net of tax	(7)	3	(4)

31 December 2023	Revaluation reserve	Fair value reserve	Total
	€m	€m	€m
Other comprehensive income/(expense) net of tax			
Revaluation of property	(7)	-	(7)
Fair value reserve (equity instruments)			
Change in fair value of equity instruments	-	3	3
Total other comprehensive income/(expense), net of tax	(7)	3	(4)

35. Measurement basis and fair values of financial instruments

The Group's accounting policy on valuation of financial instruments is described in note 1. The table below sets out an overview of financial instruments held by the Group and their fair values.

(a) Measurement basis and fair value of financial instruments

31 December 2024	Note	Held at amortised cost	At fair value through OCI	At fair value through profit or loss	Designated as fair value hedges	Total carrying value	Fair value
		€m	€m	€m	€m	€m	€m
Financial assets							
Cash at bank	12	72	-	-	-	72	72
Items in course of collection	12	23	-	-	-	23	23
Loans and advances to banks	13	2,202	-	-	-	2,202	2,202
Derivative financial instruments	14	-	-	-	59	59	59
Other assets	15	7	-	-	-	7	7
Debt securities	17	4,327	-	-	-	4,327	4,253
Equity securities	18	-	9	-	-	9	9
Loans and advances to customers	20	21,423	-	-	-	21,423	21,456
Financial liabilities							
Deposits by banks	26	105	-	-	-	105	105
Customer accounts	27	24,120	-	-	-	24,120	24,062
Derivative financial instruments	14	-	-	-	-	-	-
Debt securities in issue	28	1,698	-	-	33	1,731	1,822
Other financial liabilities	29	129	-	-	-	129	129
Subordinated liabilities	31	252	-	-	5	257	250

31 December 2023	Note	Held at amortised cost	At fair value through OCI	At fair value through profit or loss	Designated as fair value hedges	Total carrying value	Fair value
		€m	€m	€m	€m	€m	€m
Financial assets							
Cash at bank	12	71	-	-	-	71	71
Items in course of collection	12	40	-	-	-	40	40
Loans and advances to banks	13	2,051	-	-	-	2,051	2,051
Derivative financial instruments	14	-	-	-	36	36	36
Other assets	15	60	-	-	-	60	60
Debt securities	17	3,256	-	-	-	3,256	3,137
Equity securities	18	-	5	-	-	5	5
Loans and advances to customers	20	21,427	-	-	-	21,427	21,343
Financial liabilities							
Deposits by banks	26	398	-	-	-	398	398
Customer accounts	27	22,966	-	-	-	22,966	22,907
Derivative financial instruments	14	-	-	1	-	1	1
Debt securities in issue	28	1,498	-	-	14	1,512	1,593
Other financial liabilities	29	148	-	-	-	148	148
Subordinated liabilities	31	252	-	-	5	257	240

35. Measurement basis and fair values of financial instruments (continued)

The following table sets out the fair value of financial instruments that the Group holds at 31 December 2024. It categorises these financial instruments into the relevant level on the fair value hierarchy.

The fair values of financial instruments are measured according to the following fair value hierarchy:

- Level 1 – financial assets and liabilities measured using quoted market prices (unadjusted).
- Level 2 – financial assets and liabilities measured using valuation techniques which use observable inputs including quoted prices of financial instruments themselves or quoted prices of similar instruments – in either active or inactive markets.
- Level 3 – financial assets and liabilities measured using valuation techniques which use unobservable market data inputs.

Basis and fair values of financial instruments

31 December 2024	Note	Total carrying value	Level 1	Level 2	Level 3	Total fair value
		€m	€m	€m	€m	€m
Financial assets						
Cash at bank	12	72	72	-	-	72
Items in course of collection	12	23	-	23	-	23
Loans and advances to banks	13	2,202	-	2,202	-	2,202
Derivative financial instruments	14	59	-	59	-	59
Debt securities	17	4,327	4,145	108	-	4,253
Equity securities	18	9	7	-	2	9
Loans and advances to customers	20	21,423	-	-	21,456	21,456
Financial liabilities						
Deposits by banks	26	105	-	105	-	105
Customer accounts	27	24,120	-	24,062	-	24,062
Derivative financial instruments	14	-	-	-	-	-
Debt securities in issue	28	1,731	-	1,822	-	1,822
Other financial liabilities	29	129	-	129	-	129
Subordinated liabilities	31	257	-	250	-	250

31 December 2023	Note	Total carrying value	Level 1	Level 2	Level 3	Total fair value
		€m	€m		€m	€m
Financial assets						
Cash at bank	12	71	71	-	-	71
Items in course of collection	12	40	-	40	-	40
Loans and advances to banks	13	2,051	-	2,051	-	2,051
Derivative financial instruments	14	36	-	36	-	36
Debt securities	17	3,256	3,137	-	-	3,137
Equity securities	18	5	-	-	5	5
Loans and advances to customers	20	21,427	-	-	21,343	21,343
Financial liabilities						
Deposits by banks	26	398	-	398	-	398
Customer accounts	27	22,966	-	22,907	-	22,907
Derivative financial instruments	14	1	-	1	-	1
Debt securities in issue	28	1,512	-	1,593	-	1,593
Other financial liabilities	29	148	-	148	-	148
Subordinated liabilities	31	257	-	240	-	240

35. Measurement basis and fair values of financial instruments (continued)

(b) Fair value measurement principles

The Group's accounting policy on valuation of financial instruments is described in note 1 and note 2 and contains details on the critical accounting estimates and judgements made by management in relation to the fair value measurement of financial instruments. The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Where possible, the Group calculates fair value using observable market prices in an active market. Where market prices are not available, fair values are determined using valuation techniques. These techniques are subjective in nature and may involve assumptions which are based upon management's view of market conditions at year end, which may not necessarily be indicative of any subsequent fair value. Any minor changes in the assumptions used could have a significant impact on the resulting estimated fair values and, as a result, it may be difficult for the users to make a reasonable comparison of the fair value information disclosed in this note, against that disclosed by other financial institutions or to evaluate the Group's financial position and, therefore, are advised to exercise caution in interpreting these fair values. Also, the fair values disclosed above do not represent, nor should it be interpreted to represent, the underlying value of the Group as a going concern at the reporting date.

Financial assets and financial liabilities not subsequently measured at fair value

Other than derivative financial instruments and equity securities, all other financial assets and liabilities are not measured at fair value at the reporting date. A description of the methods and assumptions used to calculate fair values of these assets and liabilities is set out below.

Cash at bank

The fair value of these financial instruments is equal to their carrying value due to these instruments being repayable on demand and short-term in nature in an active market.

Items in course of collection

The fair value of these financial instruments is equal to their carrying value due to these instruments being repayable on demand and short-term in nature.

Loans and advances to banks

For the purposes of fair value valuation, loans and advances to banks have been treated as cash and cash equivalents. These loans and advances are repayable on demand and short-term in nature; hence, the fair value of each financial instrument is equal to their carrying value.

Loans and advances to customers

Loans and advances to customers are carried net of impairments. The Group uses a discounted cash flow valuation model to estimate the fair value for the ROI residential and commercial mortgages. Cash flows are discounted using the current weighted average interest rate based on the specific portfolio. The fair value calculation also takes into account loan impairment provisions at the balance sheet date. The carrying value of the consumer finance portfolio is considered equal to its fair value due to its short duration.

Debt securities (HTC securities)

Debt securities at 31 December 2024 are €4,327m (31 December 2023: €3,256m) and consist of HTC securities. HTC securities are derived from observable inputs through independent pricing sources such as Bloomberg.

Deposits by banks/customer accounts

The estimated fair value of deposit liabilities and current accounts with no stated maturity which are repayable on demand (including non-interest bearing deposits), approximates to their carrying value. The estimated fair value of fixed-interest bearing deposits and other borrowings is based on discounted cash flows using interest rates for new deposits with similar remaining maturities.

Debt securities in issue/subordinated liabilities

The fair values of debt securities in issue/subordinated liabilities are derived from observable inputs through independent pricing sources such as Bloomberg. All instruments are hedged for interest rate risk. Further details on hedging are included in note 14 of the financial statements. Where a readily available market price is unavailable in relation to the instrument, an estimated price is calculated using observable market data for similar instruments. If observable market data is not available, an appropriate credit spread linked to similar instruments, is used within the valuation technique. The fair values of debt securities in issue and subordinated liabilities include the fair value hedge adjustment in relation to interest rate swaps. Since 2023, due to changes in market conditions, quoted prices in active markets are no longer available for these instruments. However, there is sufficient information available to measure the fair value of these instruments based on observable market inputs. Therefore, debt securities in issue and subordinated liabilities are now classified as Level 2 in the fair value hierarchy.

35. Measurement basis and fair values of financial instruments (continued)

Financial assets and financial liabilities subsequently measured at fair value

On initial recognition, all financial instruments are measured at fair value. Derivative financial instruments are fair valued through profit or loss.

Derivative financial instruments

The fair values of derivatives are determined using valuation techniques such as discounted cash flow and pricing models which are commonly used by market participants. These valuations are provided by third party sources and the models used incorporate observable market inputs such as current interest rate, time to maturity, forward foreign exchange rates, yield curves and volatility measures.

Equity securities

PTSB Group holds Series A and Series B preferred stock in Visa Inc. at 31 December 2024. The Series A preferred stock was issued from Visa Inc during 2024 upon the conversion of Series B preferred stock. At 31 December 2024, PTSB Group holds Series A preferred stock with a value of €7m and Series B preferred stock with a value of €2m in Visa Inc (31 December 2023: €5m Series B preferred stock). This is recognised in the statement of financial position at FVOCI.

The fair values of the Series A preferred stock in Visa Inc. is classified as Level 1 and the fair value of the Series B preferred stock is classified as Level 3, as the valuation of these preferred stock includes inputs that are based on unobservable data.

Fair value measurements recognised in the Statement of financial position

31 December 2024	Note	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets measured at fair value					
Derivative financial instrument	14	-	59	-	59
Equity instruments	18	7	-	2	9
Financial liabilities measured at fair value					
Derivative financial instrument	14	-	-	-	-

31 December 2023	Note	Level 1 €m	Level 2 €m	Level 3 €m	Total €m
Financial assets measured at fair value					
Derivative financial instrument	14	-	36	-	36
Equity instruments	18	-	-	5	5
Financial liabilities measured at fair value					
Derivative financial instrument	14	-	1	-	1

Reconciliation of level 3 fair value measurements of financial assets

	2024 €m	2023 €m
Equity Instruments		
As at 1 January	5	4
Revaluation movement in OCI – Fair value reserve (equity instruments)	4	1
Conversion of Series B preferred stock to Series A preferred stock	(7)	-
As at 31 December	2	5

There were no transfers between level 1, level 2 or level 3 of the fair value hierarchy during 2024 or 2023 for financial assets except for the conversion of Series B preferred stock to Series A preferred stock.

35. Measurement basis and fair values of financial instruments (continued)

Level 3 fair value measurements of financial liabilities

There were no transfers between level 1, level 2 or level 3 of the fair value hierarchy during 2024 or 2023 for financial liabilities.

Level 3 sensitivity analysis

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

Financial instruments

31 December 2024	Valuation technique	Significant unobservable inputs	Range of estimates for unobservable inputs	Fair value €m	Ranges of estimates changes in the fair value
Visa Inc. Series B Preferred Stock	**Quoted market price (Discounted)***	**Final share conversion rate**	**0 - 90%**	**2**	**0 – 90%**

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

31 December 2023	Valuation technique	Significant unobservable inputs	Range of estimates for unobservable inputs	Fair value €m	Ranges of estimates changes in the fair value
Visa Inc. Series B Preferred Stock	Quoted market price (Discounted)*	Final share conversion rate	0 – 90%	5	0 – 90%

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

Significant unobservable inputs

Visa Inc. Series B preferred stock

The Series B preferred stock was fair valued at €2m at 31 December 2024 (31 December 2023: €5m) and is recognised in the statement of financial position at FVOCI.

Valuation Methodology: The Visa Inc. Class A Common stock price and conversion ratios were applied to the PTSB shareholding of Visa Inc. Series B preferred shares at 31 December 2024 and 31 December 2023. Future conversions are calculated using discounted cash follows. The stock was revalued at the year-end exchange rate.

Unobservable input: The unobservable inputs are the discount factor used to discount the future conversions of Series B preferred stock.

The Visa Inc. Series B preferred stock is denominated in US dollars and is exposed to FX risk.

36. Financial risk management

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

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

	Note	31 December 2024 €m	31 December 2023 €m
Cash at bank	12	72	71
Items in course of collection	12	23	40
Loans and advances to banks (iii)	13	2,202	2,051
Derivative financial instruments (ii)	14	59	36
Other assets	15	7	60
Debt securities (i)	17	4,327	3,256
Loans and advances to customers (iv)	20	21,423	21,427
		28,113	26,941
Commitments	41	1,618	1,380
		29,731	28,321

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

(i) Debt securities

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

The following table gives an indication of the level of creditworthiness of the Group's debt securities and is based on the ratings prescribed by Moody's Investor Services Limited and Standard and Poor's for the EU. There are no impaired debt securities as at 31 December 2024 or at 31 December 2023, with the exception of the corporate bond.

	31 December 2024 €m	31 December 2023 €m
Rating		
Aaa	726	309
Aa1	292	30
Aa2	-	356
Aa3	2,116	1,578
A3	439	448
Baa1	599	432
Baa3	155	103
Total	4,327	3,256

36. Financial risk management (continued)

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

	31 December 2024 €m	31 December 2023 €m
Country		
Ireland	**1,524**	1,559
EU	**658**	309
Spain	**599**	432
France	**578**	356
Portugal	**439**	448
Austria	**292**	30
Italy	**155**	103
Belgium	**82**	19
Total	**4,327**	3,256

(ii) Derivative financial instruments

The Group has executed standard ISDA agreements with all of its counterparties. The Group has also executed CSAs with all of its counterparties in respect of all derivative instruments to mitigate its credit risk. As part of these agreements, the Group exchanges collateral in line with movements in the market values of derivative positions daily. FX forward derivatives are settled gross. The Group manages its collateral derivative positions with counterparties on a net basis. The uncollateralised derivative positions are held with investment grade counterparties. The cumulative positive market value of derivative assets at 31 December 2024 was €59m (31 December 2023: €36m) which relates to fair value hedge interest rate swaps used to hedge interest rate risk on fixed rate debt securities in issue. See note 14 for further detail.

(iii) Loans and advances to banks

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

	31 December 2024 €m	31 December 2023 €m
Rating		
AAA	**1,887**	1,687
Aa1	**23**	-
Aa2	**6**	75
Aa3	**125**	231
A1	**90**	2
A2	**71**	56
Total	**2,202**	2,051

36. Financial risk management (continued)

The following sections detail additional disclosures on asset quality.

(iv) Loans and advances to customers

Gross customer loans and advances

The tables below outline total loans and advances to customers for the Group analysed by home loan, buy-to-let, commercial, consumer finance and finance leases and hire purchase receivables.

Measured at amortised cost	31 December 2024 €m	31 December 2023 €m
Residential mortgages:		
Home loan	19,539	19,557
Buy-to-let	464	749
Total residential mortgages	20,003	20,306
Commercial	493	437
Consumer finance	553	499
Finance leases and hire purchase receivables	466	446
Total measured at amortised cost	21,515	21,688
Analysed by ECL staging:		
Stage 1	19,100	19,057
Stage 2	2,033	1,913
Stage 3	382	718
POCI	-	-
Total measured at amortised cost	21,515	21,688
Of which at the reporting date		
Neither past due nor Stage 3	21,081	20,909
Past due but not Stage 3	52	61
Stage 3	382	718
Total measured at amortised cost	21,515	21,688
Of which are reported as non-performing loans	382	718
Deferred fees, discounts and business combination related fair value adjustments	300	309

The following tables provide an aged analysis of home loan, buy-to-let and commercial mortgages which are past due but not Stage 3.

31 December 2024	Home loans €m	Buy-to-let €m	Commercial €m	Total €m
0-30 days	24	1	2	27
31-60 days	4	-	-	4
61-90 days	7	-	-	7
Total past due not Stage 3	35	1	2	38
Fair value of collateral held	35	1	2	38

36. Financial risk management (continued)

Fair value of collateral held	Home loans €m	Buy-to-let €m	Commercial €m	Total €m
0-30 days	24	1	2	27
31-60 days	4	-	-	4
61-90 days	7	-	-	7
Total past due not Stage 3	**35**	**1**	**2**	**38**

31 December 2023	Home loans €m	Buy-to-let €m	Commercial €m	Total €m
0-30 days	29	3	1	33
31-60 days	7	3	1	11
61-90 days	6	-	-	6
Total past due not Stage 3	42	6	2	50
Fair value of collateral held	42	6	2	50

Fair value of collateral held	Home loans €m	Buy-to-let €m	Commercial €m	Total €m
0-30 days	29	3	1	33
31-60 days	7	3	1	11
61-90 days	6	-	-	6
Total past due not Stage 3	42	6	2	50

Collateral held against residential mortgages is principally comprised of residential properties; their fair value has been estimated based upon the last actual valuation, adjusted to take into account subsequent movement in house prices and is capped at the lower of the loan balance or the valuation amount.

Non-performing loans

Non-performing loans (NPLs) are loans which are credit impaired or loans which are classified as defaulted in accordance with the Group's definition of default. The Group's definition of default considers objective indicators of default including the 90 days past due criterion, evidence of exercise of concessions or modifications to terms and conditions is designed to be consistent with European Banking Authority (EBA) guidance on the definition of forbearance.

Foreclosed assets are assets held on the balance sheet which are obtained by taking possession of collateral or by calling on similar credit enhancements.

36. Financial risk management (continued)

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

31 December 2024	Stage 3					
	Home loans €m	Buy-to-let €m	Commercial €m	Consumer finance €m	Finance leases and hire purchase receivables €m	Total €m
NPL is < 90 days	113	29	17	6	4	169
NPL is > 90 days and < 1 year past due	55	10	-	4	2	71
NPL is 1-2 years past due	34	11	2	2	1	50
NPL is 2-5 years past due	30	12	1	3	1	47
NPL is > 5 years past due	27	9	4	5	-	45
POCI	-	-	-	-	-	-
Non-performing loans	259	71	24	20	8	382
Foreclosed assets	2	5	-	-	-	7
Non-performing assets	261	76	24	20	8	389
NPLs as % of gross loans	1.3%	15.3%	4.9%	3.6%	1.7%	1.8%

31 December 2023	Stage 3					
	Home loans €m	Buy-to-let €m	Commercial €m	Consumer finance €m	Finance leases and hire purchase receivables €m	Total €m
NPL is < 90 days	167	86	11	4	6	274
NPL is > 90 days and < 1 year past due	77	51	2	4	4	138
NPL is 1-2 years past due	44	16	1	2	1	64
NPL is 2-5 years past due	60	86	1	2	1	150
NPL is > 5 years past due	55	28	5	4	-	92
POCI	-	-	-	-	-	-
Non-performing loans	403	267	20	16	12	718
Foreclosed assets	2	9	-	-	-	11
Non-performing assets	405	276	20	16	12	729
NPLs as % of gross loans	2.1%	35.6%	4.6%	3.2%	2.7%	3.3%

Non-performing loans as a percentage of total loans and advances was 1.8% at 31 December 2024, down from 3.3% at 31 December 2023, primarily attributed to the Glas III loan sale.

Total portfolio loss allowance: statement of financial position

The tables below outline the ECL loss allowance total at 31 December 2024 in respect of total customer loans and advances.

The impairment write-back in respect of the total loans and advances for year ended 31 December 2024 was €30m, compared to a €56m charge for the year ended 31 December 2023.

	31 December 2024 €m	31 December 2023 €m
Loss allowance - statement of financial position		
Stage 1	123	165
Stage 2	134	164
Stage 3	135	241
Total loss allowance	392	570

36. Financial risk management (continued)

	31 December 2024 %	31 December 2023 %
Provision coverage ratio*		
Stage 1	0.6%	0.9%
Stage 2	6.6%	8.6%
Stage 3	35.4%	33.5%
Total provisions/total loans	1.8%	2.6%

* Provision coverage ratio is calculated as loss allowance/impairment provision as a percentage of gross loan balance.

Origination profile

Loan origination profile of the residential mortgage loan portfolio before provision for impairment:

The table below illustrates that €2bn or 8% (31 December 2023: 9%) of the residential mortgage portfolio originated before 2006. Between 2006 and 2008 origination was €3bn or 17% (31 December 2023: 21%) of the residential mortgages. The remaining 75% (31 December 2023: 70%) of residential mortgages were originated between 2009 and 2024.

31 December 2024	Residential mortgages portfolio		Stage 3 residential mortgages portfolio	
	Number	Balance €m	Number	Balance €m
2001 and before	4,110	91	251	7
2002	2,549	93	112	5
2003	4,077	191	149	11
2004	6,125	386	173	13
2005	10,033	793	332	34
2006	12,520	1,326	496	76
2007	10,755	1,276	452	79
2008	6,776	779	279	42
2009	2,056	190	61	6
2010	852	58	14	1
2011	731	58	7	1
2012	1,143	98	13	1
2013	1,549	143	17	2
2014	2,646	263	14	2
2015	3,709	397	38	3
2016	4,362	557	38	5
2017	5,348	763	42	7
2018	6,911	1,116	56	8
2019	8,863	1,564	60	10
2020	7,394	1,475	47	6
2021	8,349	1,859	31	5
2022	9,415	2,416	14	3
2023	8,291	2,173	9	2
2024	7,047	1,938	4	1
Total	135,611	20,003	2,709	330

36. Financial risk management (continued)

31 December 2023	Residential mortgages portfolio		Stage 3 residential mortgages portfolio	
	Number	Balance €m	Number	Balance €m
2000 and before	3,055	64	253	8
2001	2,004	60	114	4
2002	2,811	116	139	8
2003	4,443	232	219	16
2004	7,579	471	278	25
2005	11,015	943	454	61
2006	13,837	1,624	753	174
2007	11,944	1,591	773	209
2008	7,407	925	452	97
2009	2,311	212	73	8
2010	914	66	22	2
2011	789	65	9	1
2012	1,225	108	18	1
2013	1,638	158	17	2
2014	2,877	294	26	4
2015	3,949	442	52	4
2016	4,665	617	46	7
2017	5,642	843	49	6
2018	7,352	1,239	71	11
2019	9,408	1,735	64	12
2020	7,820	1,624	39	5
2021	9,065	2,135	20	3
2022	9,618	2,539	8	1
2023	8,394	2,203	4	1
Total	139,762	20,306	3,953	670

Loan-to-value profile
Loan-to-value (LTV) of mortgage lending (index linked):
The LTV ratio is calculated at a property level and is the average of indexed property values in proportion to the outstanding loan balance. LTV is a key input to the impairment provisioning process. The tables below outline the composition of this ratio for the residential loan portfolio.

36. Financial risk management (continued)

Actual and average LTVs across principal mortgage portfolios:

The tables below outline the weighted average LTVs for the total residential mortgage portfolios analysed across home loan and buy-to-let facilities by value. The weighted average LTV on the residential mortgage portfolios is 48% at 31 December 2024 compared to 52% at 31 December 2023.

31 December 2024	Home loans %	Buy-to-let %	Total %
Less than 50%	54%	51%	54%
50% to 70%	33%	26%	33%
71% to 90%	13%	11%	12%
91% to 100%	-	4%	1%
Subtotal	100%	92%	100%
101% to 110%	-	2%	-
111% to 120%	-	2%	-
121% to 130%	-	1%	-
131% to 140%	-	-	-
141% to 150%	-	1%	-
151% to 160%	-	-	-
161% to 170%	-	-	-
171% to 180%	-	-	-
Greater than 180%	-	2%	-
Subtotal	-	8%	-
Total	100%	100%	100%
Weighted average LTV:			
Stock of residential mortgages at year end	48%	56%	48%
Residential mortgages originated in the year	68%	51%	68%
Acquired residential mortgages	-	-	-
Stage 3 mortgages	53%	106%	64%

36. Financial risk management (continued)

31 December 2023	Home loans %	Buy-to-let %	Total %
Less than 50%	45%	33%	45%
50% to 70%	38%	23%	37%
71% to 90%	16%	18%	16%
91% to 100%	-	8%	1%
Subtotal	99%	82%	99%
101% to 110%	1%	6%	1%
111% to 120%	-	2%	-
121% to 130%	-	3%	-
131% to 140%	-	2%	-
141% to 150%	-	1%	-
151% to 160%	-	1%	-
161% to 170%	-	1%	-
171% to 180%	-	-	-
Greater than 180%	-	2%	-
Subtotal	1%	18%	1%
Total	100%	100%	100%
Weighted average LTV:			
Stock of existing residential mortgages	52%	70%	52%
Residential mortgages originated in the year	69%	55%	69%
Acquired residential mortgages	47%	41%	47%
Stage 3 mortgages	68%	100%	81%

Analysis by LTV of the Group's residential mortgage lending which is neither past due nor Stage 3:
The tables below illustrate that 100% of residential home loan mortgages (31 December 2023: 100%) and 97% of residential buy-to-let mortgages (31 December 2023: 95%) that are neither past due nor stage 3 are in positive equity as at 31 December 2024.

31 December 2024	Home loans %	Buy-to-let %	Total %
Less than 50%	54%	58%	54%
50% to 70%	33%	28%	33%
71% to 90%	13%	9%	13%
91% to 100%	-	2%	-
Subtotal	100%	97%	100%
101% to 110%	-	2%	-
111% to 120%	-	1%	-
121% to 130%	-	-	-
131% to 140%	-	-	-
141% to 150%	-	-	-
151% to 160%	-	-	-
161% to 170%	-	-	-
171% to 180%	-	-	-
Greater than 180%	-	-	-
Subtotal	-	3%	-
Total	100%	100%	100%

36. Financial risk management (continued)

31 December 2023	Home loans %	Buy-to-let %	Total %
Less than 50%	46%	48%	46%
50% to 70%	38%	29%	38%
71% to 90%	16%	14%	16%
91% to 100%	-	4%	-
Subtotal	100%	95%	100%
101% to 110%	-	2%	-
111% to 120%	-	1%	-
121% to 130%	-	-	-
131% to 140%	-	1%	-
141% to 150%	-	-	-
151% to 160%	-	-	-
161% to 170%	-	-	-
171% to 180%	-	-	-
Greater than 180%	-	1%	-
Subtotal	-	5%	-
Total	100%	100%	100%

Analysis by LTV of the Group's residential mortgage lending which are classified as Stage 3:
The tables below illustrate that 92% of residential home loan mortgages (31 December 2023: 83%) and 68% of residential buy-to-let mortgages (31 December 2023: 60%) that are classified as Stage 3 are in positive equity as at 31 December 2024.

31 December 2024	Home loans %	Buy-to-let %	Total %
Less than 50%	54%	12%	45%
50% to 70%	26%	18%	24%
71% to 90%	10%	21%	12%
91% to 100%	2%	17%	6%
Subtotal	92%	68%	87%
101% to 110%	2%	6%	3%
111% to 120%	2%	8%	3%
121% to 130%	1%	3%	1%
131% to 140%	-	1%	1%
141% to 150%	1%	1%	1%
151% to 160%	-	1%	-
161% to 170%	-	1%	-
171% to 180%	-	1%	-
Greater than 180%	2%	10%	4%
Subtotal	8%	32%	13%
Total	100%	100%	100%
	€m	€m	€m
Stage 3	259	71	330

36. Financial risk management (continued)

31 December 2023	Home loans	Buy-to-let	Total
	%	%	%
Less than 50%	38%	7%	26%
50% to 70%	24%	11%	19%
71% to 90%	15%	26%	19%
91% to 100%	6%	16%	10%
Subtotal	83%	60%	74%
101% to 110%	3%	13%	7%
111% to 120%	3%	6%	4%
121% to 130%	2%	8%	4%
131% to 140%	1%	2%	2%
141% to 150%	2%	2%	2%
151% to 160%	2%	2%	2%
161% to 170%	1%	2%	1%
171% to 180%	-	1%	1%
Greater than 180%	3%	4%	3%
Subtotal	17%	40%	26%
Total	100%	100%	100%
	€m	€m	€m
Stage 3	403	267	670

(v) Group portfolios: Collateral in possession

Collateral in possession occurs where the obligor either (i) voluntarily surrenders the property or (ii) the Group takes legal ownership due to the non-repayment of the loan facility. The following tables outline the main movements in this category during the year.

Stock of collateral in possession

	31 December 2024		31 December 2023	
	Number	Balance outstanding at transfer of ownership	Number	Balance outstanding at transfer of ownership
Residential collateral in possession		€m		€m
Home loans	8	5	10	6
Buy-to-let	30	7	52	13
Total	38	12	62	19

Collateral in possession assets are sold as soon as practicable. These assets which total €7m as at 31 December 2024 (31 December 2023: €11m) are included in assets held for sale (see note 16 for further details).

During the year no ownership of properties were transferred to the Group.

31 December 2024	Number of disposals	Balance outstanding at transfer of ownership	Gross sales proceeds	Costs to sell	Pre provisioning loss on sale*
		€m	€m	€m	€m
Collateral in possession					
Home loans	2	1	1	-	-
Buy-to-let	22	6	4	-	2
Year ended 31 December 2024	24	7	5	-	2

* Calculated as gross sales proceeds less balance outstanding at transfer of ownership less costs to sell. These losses are provided for as part of the impairment provisioning process.

36. Financial risk management (continued)

31 December 2023	Number of disposals	Balance outstanding at transfer of ownership €m	Gross sales proceeds €m	Costs to sell €m	Pre provisioning loss on sale* €m
Collateral in possession					
Home loans	4	1	2	1	-
Buy-to-let	57	16	10	-	6
Year ended 31 December 2023	61	17	12	1	6

* Calculated as gross sales proceeds less balance outstanding at transfer of ownership less costs to sell. These losses are provided for as part of the impairment provisioning process.

(vi) Additional disclosures on forborne loans

The Group operates a number of mechanisms which are designed to assist borrowers experiencing credit and loan repayment difficulties, which have been developed in accordance with the current Code of Conduct on Mortgages Arrears (CCMA).

The tables below analyse loans for which the Group has entered formal temporary and permanent forbearance arrangements with customers for the years ended 31 December 2024 and 2023.

(a) Weighted Average - LTV

LTV on total residential mortgages in forbearance

The tables below illustrate that 94% of residential home loan mortgages (31 December 2023: 89%) and 75% of residential buy-to-let mortgages (31 December 2023: 73%) that are in forbearance are in positive equity as at 31 December 2024.

31 December 2024	Home loans %	Buy-to-let %	Total %
Less than 50%	54%	16%	49%
50% to 70%	27%	18%	26%
71% to 90%	10%	26%	12%
91% to 100%	3%	15%	4%
Subtotal	94%	75%	91%
101% to 110%	1%	3%	2%
111% to 120%	2%	9%	2%
121% to 130%	1%	3%	1%
131% to 140%	-	1%	1%
141% to 150%	1%	1%	1%
151% to 160%	-	2%	-
161% to 170%	-	1%	-
171% to 180%	-	-	-
Greater than 180%	1%	5%	2%
Subtotal	6%	25%	9%
Total	100%	100%	100%
Weighted average LTV:			
Stock of residential mortgages	52%	85%	57%
Residential mortgages originated in the year	72%	-	72%
Stage 3 mortgages	58%	94%	64%

36. Financial risk management (continued)

31 December 2023	Home loans %	Buy-to-let %	Total %
Less than 50%	42%	10%	37%
50% to 70%	29%	13%	26%
71% to 90%	13%	36%	17%
91% to 100%	5%	14%	6%
Subtotal	89%	73%	86%
101% to 110%	2%	10%	3%
111% to 120%	2%	3%	2%
121% to 130%	1%	3%	2%
131% to 140%	1%	2%	2%
141% to 150%	1%	2%	1%
151% to 160%	1%	1%	1%
161% to 170%	1%	1%	1%
171% to 180%	-	1%	-
Greater than 180%	2%	4%	2%
Subtotal	11%	27%	14%
Total	100%	100%	100%
Weighted average LTV:			
Stock of residential mortgages	61%	91%	66%
Residential mortgages originated in the year	66%	-	66%
Stage 3 mortgages	71%	99%	76%

(b) Forbearance arrangements - mortgages

The tables below set out the volume of loans for which the Group has entered formal temporary and permanent forbearance arrangements with customers as at 31 December 2024 and 31 December 2023.

(i) Residential home loan mortgages:

The incidence of the main type of forbearance arrangements for owner occupied residential mortgages are analysed below:

31 December 2024	All loans		Stage 3	
	Number	Balances €m	Number	Balances €m
Interest only	8	1	6	1
Reduced payment (less than interest only)	32	6	26	4
Reduced payment (greater than interest only)	842	117	416	61
Payment moratorium	65	9	45	6
Arrears capitalisation	550	59	348	38
Term extension	355	25	178	13
Hybrid*	150	15	118	12
Split mortgages**	74	10	74	10
Total	2,076	242	1,211	145

* Hybrid is a combination of two or more forbearance arrangements.
** Split mortgage is where a portion of outstanding debt is deferred until financial ability or circumstances improve.

36. Financial risk management (continued)

31 December 2023	All loans		Stage 3	
	Number	Balances €m	Number	Balances €m
Interest only	19	4	17	3
Reduced payment (less than interest only)	47	8	32	6
Reduced payment (greater than interest only)	1,362	193	672	105
Payment moratorium	48	7	33	4
Arrears capitalisation	821	88	419	49
Term extension	481	34	232	19
Hybrid*	238	33	178	24
Split mortgages**	158	26	158	26
Total	3,174	393	1,741	236

* Hybrid is a combination of two or more forbearance arrangements.
** Split mortgage is where a portion of outstanding debt is deferred until financial ability or circumstances improve.

The tables above reflect a decrease of 1,098 cases in the year to 31 December 2024 for the Group in the number of residential home loan mortgages in forbearance arrangements, a decrease of €151m in balances. The average balance of forborne loans is €0.117m at 31 December 2024 (31 December 2023: €0.124m).

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

31 December 2024	All loans		Stage 3	
	Number	Balances €m	Number	Balances €m
Interest only	6	3	5	3
Reduced payment (less than interest only)	2	1	2	1
Reduced payment (greater than interest only)	46	11	34	9
Payment moratorium	4	1	4	1
Arrears capitalisation	10	3	7	2
Term extension	16	3	10	2
Hybrid*	34	11	24	7
Split mortgages**	4	1	4	1
Total	**122**	**34**	**90**	**26**

* Hybrid is a combination of two or more forbearance arrangements.
** Split mortgage is where a portion of outstanding debt is deferred until financial ability or circumstances improve.

36. Financial risk management (continued)

31 December 2023	All loans		Stage 3	
	Number	Balances €m	Number	Balances €m
Interest only	16	6	14	6
Reduced payment (less than interest only)	2	2	2	2
Reduced payment (greater than interest only)	82	25	61	21
Payment moratorium	3	1	1	-
Arrears capitalisation	24	6	10	3
Term extension	16	4	12	3
Hybrid*	61	28	46	19
Split mortgages**	22	7	22	7
Total	226	79	168	61

* Hybrid is a combination of two or more forbearance arrangements.
** Split mortgage is where a portion of outstanding debt is deferred until financial ability or circumstances improve.

The tables above reflect a decrease of 104 cases in the year to 31 December 2024 for the Group in the number of residential buy-to-let in forbearance arrangements, a decrease of €45m in balances. The average balance of forborne loans is €0.279m at 31 December 2024 (31 December 2023: €0.350m).

(iii) Commercial mortgages
The incidence of the main type of forbearance arrangements for commercial mortgages are analysed below:

	31 December 2024		31 December 2023	
	Number	Balances €m	Number	Balances €m
Commercial mortgages				
Interest only	1	-	-	-
Reduced payment (greater than interest only)	4	1	7	3
Payment moratorium	-	-	-	-
Arrears capitalisation	11	1	24	2
Term extension	5	1	7	1
Hybrid*	2	1	4	1
Split mortgages	-	-	-	-
Total	23	4	42	7

* Hybrid is a combination of two or more forbearance arrangements.

The table above reflects a decrease of 19 cases in the year to 31 December 2024 for the Group in the number of commercial mortgages in forbearance arrangements, a decrease of €3m in balances.

(c) Reconciliation of movement in forborne loans for all classes
The tables below provide an analysis of the movement of total forborne loans and Stage 3 forborne loans during the year. It outlines the number and balances of forbearance treatments offered, expired and loans paid down during the year.

36. Financial risk management (continued)

(i) Reconciliation of movement of total forborne loans

31 December 2024	Residential mortgages Home loans cases	Home loans balances €m	Buy -to-let cases	Buy-to-let balances €m	Commercial cases	Commercial balances €m	Total cases	Total balances €m
Opening balance 1 January 2024	3,174	393	226	79	42	7	3,442	479
New forbearance extended during the year*	310	37	17	3	2	1	329	41
Deleveraged loans	(543)	(83)	(81)	(33)	(4)	(1)	(628)	(117)
Exited forbearance								
- re-classified to Stage 3 non-forborne	(5)	(1)	(1)	-	-	-	(6)	(1)
- expired forbearance treatment	(749)	(77)	(23)	(5)	(12)	(1)	(784)	(83)
- expired loan paid down	(111)	(17)	(16)	(9)	(5)	(2)	(132)	(28)
Balance shift**	-	(10)	-	(1)	-	-	-	(11)
Closing balance of loans in forbearance as at 31 December 2024	2,076	242	122	34	23	4	2,221	280

* Balance movements are stated net of portfolio re-classification.
** Balance movements in respect of loans which are in forbearance at the start and end of the year.

31 December 2023	Residential mortgages Home loans cases	Home loans balances €m	Buy -to-let cases	Buy-to-let balances €m	Commercial cases	Commercial balances €m	Total cases	Total balances €m
Opening balance 1 January 2023	2,747	358	256	99	25	8	3,028	465
New forbearance extended during the year*	1,133	118	35	7	23	1	1,191	126
Deleveraged loans	-	-	-	-	-	-	-	-
Exited forbearance								
- re-classified to Stage 3 non-forborne	(24)	(3)	(4)	(3)	(1)	-	(29)	(6)
- expired forbearance treatment	(450)	(52)	(30)	(15)	(2)	(1)	(482)	(68)
- expired loan paid down	(232)	(18)	(31)	(6)	(3)	-	(266)	(24)
Balance shift**	-	(10)	-	(3)	-	(1)	-	(14)
Closing balance of loans in forbearance as at 31 December 2023	3,174	393	226	79	42	7	3,442	479

* Balance movements are stated net of portfolio re-classification.
** Balance movements in respect of loans which are in forbearance at the start and end of the year.

36. Financial risk management (continued)

(ii) Reconciliation of movement in forborne loans Stage 3

31 December 2024	Home loan cases	Home loan balances €m	Buy-to-let cases	Buy-to-let balances €m	Commercial cases	Commercial balances €m	Total cases	Total balances €m
Opening balance 1 January 2024	1,741	236	168	61	27	6	1,936	303
New Stage 3 forborne extended during the year*	319	38	18	5	2	1	339	44
Deleveraged loans	(542)	(83)	(81)	(33)	(4)	(1)	(627)	(117)
Exited forborne Stage 3, now performing forborne	(272)	(30)	(9)	(2)	(3)	-	(284)	(32)
Exited forbearance								
- exited forborne Stage 3, now Stage 3 non-forborne	(3)	(1)	-	-	-	-	(3)	(1)
- expired forbearance treatment	(11)	-	-	-	-	-	(11)	-
- expired loan paid down	(21)	(11)	(6)	(5)	(4)	(2)	(31)	(18)
Balance shift**	-	(4)	-	-	-	-	-	(4)
Closing balance of loans in forbearance as at 31 December 2024	1,211	145	90	26	18	4	1,319	175

* Balance movements are stated net of portfolio re-classification
** Balance movements in respect of loans which are in forbearance at the start and end of the year.

31 December 2023	Home loan cases	Home loan balances €m	Buy-to-let cases	Buy-to-let balances €m	Commercial cases	Commercial balances €m	Total cases	Total balances €m
Opening balance 1 January 2023	1,634	228	188	68	19	6	1,841	302
New Stage 3 forborne extended during the year*	615	69	30	11	12	-	657	80
Deleveraged loans	-	-	-	-	-	-	-	-
Exited forborne Stage 3, now performing forborne	(352)	(43)	(21)	(11)	-	-	(373)	(54)
Exited forbearance								
- exited forborne Stage 3, now Stage 3 non-forborne	(12)	(1)	-	-	(1)	-	(13)	(1)
- expired forbearance treatment	(13)	(3)	(4)	(2)	(1)	-	(18)	(5)
- expired loan paid down	(131)	(12)	(25)	(5)	(2)	-	(158)	(17)
Balance shift**	-	(2)	-	-	-	-	-	(2)
Closing balance of loans in forbearance as at 31 December 2023	1,741	236	168	61	27	6	1,936	303

* Balance movements are stated net of portfolio re-classification.
** Balance movements in respect of loans which are in forbearance at the start and end of the year.

36. Financial risk management (continued)

(vii) Funding profile

The below amounts for non-derivative financial liabilities is calculated using undiscounted cash flows which include an estimate of future interest payments. Derivative liabilities include contractual undiscounted cash flows on a gross basis if the instrument is settled gross and on a net basis if settled net.

The ALCo monitors sources of funding and their respective maturities with a focus on establishing a stable and cost effective funding profile. Excluding equity, the Group's funding profile as at the 31 December 2024 can be broken down into the below component parts:

	31 December 2024 %	31 December 2023 %
Customer accounts	91	91
Long-term debt	8	7
Short-term debt	1	2
	100	100

Long-term debt refers to debt with a maturity greater than 12 months from year-end and short-term debt is that which has a maturity of less than 12 months from year-end.

In accordance with IFRS 7, Financial Instruments: Disclosures, the following tables present the maturity analysis of financial liabilities on an undiscounted basis, by remaining contractual maturity at the statement of financial position date. These will not agree directly with the balances on the consolidated statement of financial position due to the inclusion of future interest payments.

31 December 2024	Up to 1 month €m	1-3 months €m	3-6 months €m	6-12 months €m	1-2 years €m	Over 2 years €m	Total €m
Liabilities							
Deposits by banks	105	-	-	-	-	-	105
Customer accounts	18,051	1,593	949	2,031	967	631	24,222
Debt securities in issue	8	16	24	49	97	1,864	2,058
Derivative financial instruments	-	-	-	-	-	-	-
Subordinated liabilities	1	1	2	4	7	285	300
Other financial liabilities	95	-	2	3	6	25	131
Total liabilities	18,260	1,610	977	2,087	1,077	2,805	26,816

31 December 2023	Up to 1 month €m	1-3 months €m	3-6 months €m	6-12 months €m	1-2 years €m	Over 2 years €m	Total €m
Liabilities							
Deposits by banks	398	-	-	-	-	-	398
Customer accounts	19,640	664	415	864	671	764	23,018
Debt securities in issue	8	15	23	46	384	1,366	1,842
Derivative financial instruments	1	-	-	-	-	-	1
Subordinated liabilities	1	1	2	4	7	292	307
Other financial liabilities	115	-	2	3	5	25	150
Total liabilities	20,163	680	442	917	1,067	2,447	25,716

36. Financial risk management (continued)

The maturity analysis for credit commitments and guarantees are presented in Note 41.

When managing the Group's liquidity and funding profile, for products where the contractual maturity date may be different from actual behaviour, the Group uses statistical methodologies to manage liquidity on an expected or behaviourally adjusted basis.

The following table details the Group's liquidity analysis for derivative instruments that do not qualify as hedging instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates from the yield curves at the end of the reporting year.

31 December 2024	Up to 1 month €m	1-3 months €m	3-6 months €m	6-12 months €m	1-2 years €m	Over 2 years €m	Total €m
Gross settled:							
FX forwards							
- inflow	52	-	-	-	-	-	52
- outflow	(52)	-	-	-	-	-	(52)
Balance at 31 December 2024	-	-	-	-	-	-	-

31 December 2023	Up to 1 month €m	1-3 months €m	3-6 months €m	6-12 months €m	1-2 years €m	Over 2 years €m	Total €m
Gross settled:							
FX forwards							
- inflow	58	-	-	-	-	-	58
- outflow	(59)	-	-	-	-	-	(59)
Balance at 31 December 2023	(1)	-	-	-	-	-	(1)

(viii) Interest rate gap position

Gap analysis is a technique for measuring the Group's interest rate risk exposure beginning with a maturity/re-pricing schedule that distributes interest sensitive assets, liabilities, and derivative positions into "time bands" according to their maturity (if fixed rate), time remaining to their next re-pricing (if floating rate) or behavioural convention in order to identify any sources of significant mismatches. The below December 2024 IRRBB (Interest Rate Risk in the Banking Book) profile also includes interest cash flows based on the next re-price date i.e. one month's interest included for variable rate products and interest until the end of the fixed rate period for fixed rate products. The Non-maturity Deposits are assumed to have a maximum behavioural maturity of 7 years.

A summary of the Group's interest rate gap position is as follows:
Interest rate re-pricing

31 December 2024	Not more than 3 months €m	Over 3 months but not more than 6 months €m	Over 6 months but not more than 1 year €m	Over 1 year but not more than 5 years €m	Over 5 years €m	Total €m
Assets	10,261	1,156	2,494	13,437	2,314	29,662
Liabilities	(6,347)	(1,657)	(3,650)	(13,491)	(4,367)	(29,512)
Derivatives	(1,843)	51	-	2,049	-	257
Interest rate re-pricing gap	2,071	(450)	(1,156)	1,995	(2,053)	407
Cumulative interest rate re-pricing gap	2,071	1,621	465	2,460	407	

36. Financial risk management (continued)

31 December 2023	Not more than 3 months €m	Over 3 months but not more than 6 months €m	Over 6 months but not more than 1 year €m	Over 1 year but not more than 5 years €m	Over 5 years €m	Total €m
Assets	9,806	999	2,224	13,574	2,018	28,621
Liabilities	(6,438)	(1,152)	(2,434)	(13,420)	(4,570)	(28,014)
Derivatives	(1,155)	343	-	978	-	166
Interest rate re-pricing gap	2,213	190	(210)	1,132	(2,552)	773
Cumulative interest rate re-pricing gap	2,213	2,403	2,193	3,325	773	

Sensitivity analysis

The following table outlines the sensitivity of the Bank's NII to a change in interest rates. The NII sensitivity is calculated on a constant balance sheet basis in line with the EBA Guidelines on Interest Rate Risk in the Banking Book (EBA 2022/03).

31 December 2024	100bps m	200bps m
Upwards	19	38
Downwards	(14)	(29)

31 December 2023	100bps m	200bps m
Upwards	32	65
Downwards	(31)	(62)

37. Capital management

The core objective of the Group's capital management policy is to ensure that the Group complies with its regulatory capital requirements and maintains sufficient capital to cover its business risks and support its strategy. The Group has an established Internal Capital Adequacy Assessment Process (ICAAP) to ensure that it is adequately capitalised against the inherent risks to which its business operations are exposed and to maintain an appropriate level of capital to meet the minimum capital requirements. The Board has overall responsibility for the completeness and implementation of the ICAAP. The ICAAP is subject to review and evaluation by the Regulator.

The management of capital within the Group is monitored on an ongoing basis by the Board and various Executive Committees in accordance with Board approved policy.

The Group's regulatory capital comprises of three Tiers:

- CET1 Capital, consisting of ordinary share capital, share premium, retained earnings and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes;
- Tier 1 Capital, consisting of CET1 capital and qualifying convertible perpetual financial instruments with discretionary coupons; and
- Total Capital, consisting of Tier 1 capital and qualifying subordinated liabilities, revaluation reserves and other regulatory capital adjustments.

The Group's 31 December 2024 regulatory Pillar 2 Requirement (P2R) remains at 3.25% (31 December 2023: 3.25%).

37. Capital management (continued)

The Group's 31 December 2024 regulatory CET1 capital requirement is 10.33% (31 December 2023: 9.83%). The CET1 ratio requirement of 10.33% consists of Pillar 1 minimum requirement of 4.50% (31 December 2023: 4.50%), P2R of 1.83%* (31 December 2023: 1.83%), Capital Conservation Buffer (CCB) of 2.50% (31 December 2023: 2.50%) and Countercyclical Buffer (CCyB) of 1.5% (31 December 2023: 1.0%).

The Group's Total Capital requirement of 15.25% at 31 December 2024 (31 December 2023: 14.75%) consists of Pillar 1 minimum requirement of 8% (31 December 2023: 8%), P2R of 3.25% (31 December 2023: 3.25%), CCB of 2.50% (31 December 2023: 2.50%) and CCyB of 1.50% (31 December 2023: 1.0%).

An Other Systemically Important Institution (O-SII) buffer of 0.5% is effective 1 January 2025, increasing CET1 and Total Capital regulatory requirements to 10.83% and 15.75% respectively.

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

* 56.25% of P2R must be made up of CET1

38. Current/non-current assets and liabilities

The following table provides an analysis of certain asset and liability line items as at 31 December 2024 and 31 December 2023. The analysis includes amounts expected to be recovered or settled no more than 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (non-current).

		31 December 2024			31 December 2023		
	Note	Current €m	Non-current €m	Total €m	Current €m	Non-current €m	Total €m
Assets							
Cash and balances at central banks	12	72	-	72	71	-	71
Items in the course of collection	12	23	-	23	40	-	40
Loans and advances to banks	13	2,202	-	2,202	2,051	-	2,051
Derivative financial instruments	14	-	59	59	6	30	36
Other assets	15	7	-	7	60	-	60
Assets classified as held for sale	16	12	-	12	12	-	12
Debt securities	17	138	4,189	4,327	190	3,066	3,256
Equity securities	18	-	9	9	-	5	5
Prepayments and contract assets	19	63	-	63	80	-	80
Loans and advance to customers	20	2,685	18,738	21,423	2,775	18,652	21,427
Liabilities							
Deposits by banks including central banks	26	105	-	105	398	-	398
Customer accounts	27	22,557	1,563	24,120	21,558	1,408	22,966
Derivative financial instruments	14	-	-	-	1	-	1
Debt securities in issue	28	56	1,675	1,731	54	1,458	1,512
Other liabilities	29	100	29	129	119	29	148
Accruals		12	-	12	13	-	13
Provisions	30	13	33	46	13	27	40
Subordinated liabilities	31	3	254	257	3	254	257

39. Transfer of financial assets

In the ordinary course of business, the Group enters into transactions that result in the transfer of financial assets of loans and advances to customers and debt securities. In accordance with note 1.5 (vii), the transferred financial assets continue to be either recognised in their entirety or to the extent of the Group's continuing involvement, or are derecognised in their entirety.

The Group transfers financial assets primarily through the following transactions:

1. sale and repurchase of securities; and
2. securitisation activities in which loans and advances to customers are sold to Structured Entities (SEs) that in turn issue notes to investors which are collateralised by purchased assets.

39. Transfer of financial assets (continued)

(a) Transferred financial assets that are not derecognised in their entirety

Sale and repurchase agreements

Sale and repurchase agreements are transactions in which the Group sells a security and simultaneously agrees to repurchase it (or an asset that is substantially the same) at a fixed price on a future date. The Group continues to recognise the securities in their entirety in the statement of financial position as loans and advances to customers (note 20) and debt securities (note 17) because it retains substantially all the risks and rewards of ownership. The cash consideration received is recognised as a financial asset and a financial liability is recognised for the obligation to pay the repurchase price. As the Group sells the contractual rights to the cash flows of the securities it does not have the ability to use or pledge as collateral the transferred assets during the term of the arrangement. The carrying value of repurchase agreements at 31 December 2024 is €65m (31 December 2023: €380m).

Securitisations

The Group sells loans and advances to customers to SEs that in turn issue notes to investors which are collateralised by the purchased assets. For the purpose of disclosure in this note, a transfer of such financial assets may arise if the Group sells assets to a consolidated SE, the transfer of financial assets is from the Group (that includes the consolidated SE) to investors in the notes issued by the SE. The transfer is in the form of the Group assuming an obligation to pass cash flows from the underlying assets to investors in the notes.

Although the Group does not own more than half of the voting power of the Fastnet entities, it has the power to control the relevant activities of the SE and the ability to affect the variable returns of the investee and hence these SEs are consolidated. In these cases, the consideration received from the investors in the notes in the form of cash is recognised as a financial asset and a corresponding financial liability is recognised. Therefore, the Group is exposed to substantially all the risks and rewards of ownership including credit and market risk of the transferred assets.

When the Group transfers assets as part of the securitisation transactions it does not have the ability to use or pledge as collateral the transferred assets during the term of the arrangement.

The table below sets out an overview of carrying amounts and fair values related to transferred financial assets that are not derecognised in their entirety and associated liabilities.

	31 December 2024		31 December 2023	
	Sale and repurchase agreements €m	Securitisations €m	Sale and repurchase agreements €m	Securitisations €m
Carrying amount of assets	377	-	530	-
Carrying amount of associated liabilities	365	-	382	-
Liabilities that have recourse only to the transferred financial assets				
Fair value of assets	371	-	529	-
Fair value of associated liabilities	365	-	382	-
Net position	6	-	147	-

(b) Transferred financial assets that are derecognised in their entirety

The Group has not transferred any financial assets that were derecognised in their entirety where the Group has continuing involvement in a transferred asset.

40. Offsetting financial assets and financial liabilities

In accordance with IAS 32, Financial Instruments: Presentation, the Group reports financial assets and financial liabilities on a net basis on the statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is disclosed in the table below in the "Effect of offsetting on the statement of financial position" section.

The gross amounts of derivative assets and liabilities and their net amounts disclosed in the below tables have been measured in the statement of financial position at fair value.

The tables below also disclose (in the "Related amounts not offset in the statement of financial position" section) the impact of master netting agreements and other similar agreements on all derivative financial instruments and similar financial instruments that are subject to master netting agreements or similar agreements, but do not qualify for netting on the balance sheet. The similar financial instruments include securitisations and sale and repurchase agreements. The similar agreements include global master repurchase agreements. It highlights the amounts that could be potentially offset on the statement of financial position and those amounts covered by collateral placed with or by counterparties to these trades.

The tables highlight the amounts that have been offset on the statement of financial position and those amounts covered by collateral placed with or by counterparties to these trades. It does not highlight where right of offset is available in the event of a default, as allowed under ISDA master agreements.

The tables below also provide analysis of derivative financial assets and liabilities and repurchase and reverse repurchase agreements subject to offsetting, enforceable master netting agreements and global master repurchase agreements:

	31 December 2024					
	Effect of offsetting on the Statement of financial position			Related amounts not offset in the statement of financial position		
	Gross financial assets/ (liabilities) recognised	Gross financial (liabilities)/assets offset	Net amounts reported on the statement of financial position	Financial instruments	Cash collateral	Net amount
	€m	€m	€m	€m	€m	€m
Assets						
Derivative financial instruments	59	-	59	-	(39)	20
Reverse Repurchase Agreements	300	(300)	-	-	(1)	(1)
	359	(300)	59	-	(40)	19
Liabilities						
Derivative financial instruments	-	-	-	-	-	-
Repurchase Agreements	365	(300)	65	(65)	-	-
	365	(300)	65	(65)	-	-

	31 December 2023					
	Effect of offsetting on the statement of financial position			Related amounts not offset in the statement of financial position		
	Gross financial assets/ (liabilities) recognised	Gross financial (liabilities)/ assets offset	Net amounts reported on the statement of financial position	Financial instruments	Cash collateral	Net amount
	€m	€m	€m	€m	€m	€m
Assets						
Derivative financial instruments	36	-	36	-	(16)	20
	36	-	36	-	(16)	20
Liabilities						
Derivative financial instruments	(1)	-	(1)	-	-	(1)
Repurchase Agreements	380	-	380	(126)	2	256
	379	-	379	(126)	2	255

41. Commitments and Contingencies

The table below gives the contractual amounts of irrevocable capital commitments. Even though these obligations are not recognised in statement of financial position they do involve credit risk. The maximum exposure to credit loss under commitments is the contractual amount of the instrument in the event of non-performance by the other party where all counter claims, collateral or security prove worthless. The transfer of economic resources is uncertain and cannot be reasonably measured to be recognised on the SOFP.

Credit commitments	31 December 2024 €m	31 December 2023 €m
Guarantees and irrevocable letters of credit	2	2
Commitments to extend credit		
- less than 1 year	1,573	1,333
- 1 year and over	43	45
Total commitments to extend credit	1,616	1,378
Total credit commitments	1,618	1,380

Other contingencies

The Group, like all other banks, is subject to litigation in the normal course of its business. Based on legal advice, other than matters referred to in note 30, the Group does not believe that any such litigation will have a material effect on its income statement or SOFP.

A number of different statutory and regulatory bodies, including the CBI, commenced investigations into a series of transactions involving deposits placed by Irish Life Assurance plc with Irish Bank Resolution Corporation (formerly Anglo Irish Bank) (on 31 March 2008, 26 September 2008, 29 September 2008 and 30 September 2008). While these investigations commenced a number of years ago, they were put on hold pending the determination of criminal proceedings against a number of individuals in respect of the same transactions. The Bank understands that those criminal proceedings have concluded and so the Bank is waiting to see if the investigations, which, from the Bank's perspective, have been dormant for some time will now be re-commenced.

As part of the agreement in August 2011 to dispose of Irish Life International Limited, the Group provided certain indemnities and warranties to the purchaser under a number of identified scenarios. If the Bank is required to make any reimbursements under these identified scenarios, the impact on the financial statements could be material. Based on the facts currently known, it is not practicable at this time to predict the final outcome this could have, nor the timing and possible impact on the Bank.

Like other banks, in the normal course of business, customers bring complaints to the Financial Services and Pensions Ombudsman (FSPO) in relation to a variety of issues. The Bank considers the applicability of FSPO decisions and findings to other customers in similar circumstances. The Bank provides for these cases, where, based on legal advice, the directors believe that it is more likely than not that an outflow of resources embodying economic benefits, will be required to settle a present obligation arising from a past event. The Bank is involved in High Court appeals against two FSPO decisions in tracker mortgage related complaints and, while the timing and outcome of the appeals is uncertain, based on legal advice received, no provision has been made for these cases. However, if the Bank is unsuccessful in the appeals, the impact on the financial statements could be material. Based on the facts currently known and the current stages that the legal process is at, it is not practicable at this time to predict the final outcome of this litigation/FSPO complaints, nor the timing and possible impact on the Bank. The Bank is aware that there are other legal proceedings on-going in which decisions of the FSPO, upholding customers' claims to a tracker interest rate on their mortgage, are being challenged. While the facts of each case differ, the Bank is keeping other cases under review to see whether any issues raised in these other proceedings could have implications for the Bank's on-going appeals and its position in respect of whether there could be a liability to customers who have accounts which are similar to the accounts which are the subject of the Bank's appeals.

As at 31 December 2024 ECL of €4m (31 December 2023: €nil) held against loan commitments are recognised in Provisions (Note 30), except where the loan commitment relates to a loan already recognised as a financial asset. In this case the ECL is recognised in Loans and advances to customers.

On 1 July 2022, the Group invested in First Home Scheme Ireland DAC, along with the State, AIB and Bank of Ireland. The Group committed €54m in funding to the First Home Scheme Ireland DAC. €20m was recognised in the Statement of Financial Position in respect of the scheme as at 31 December 2024 (31 December 2023: €15m).

In late 2024, the Group announced the opening of a limited voluntary severance scheme. The applications have now closed and are currently being evaluated. The estimated cost of the scheme is €25m. At 31 December 2024, the Group did not have a present obligation as applications were still open and therefore it has not met the recognition criteria for a provision under IAS 37 and is not recognised on the SOFP.

42. Related Parties

Related parties include individuals and entities that can exercise significant influence on operational and financial policies of the Group.

The Group has a related party relationship with its Directors, Senior Executives, the Group's pension schemes, the Minister for Finance and with the Irish Government and Irish Government related entities on the basis that the Irish Government is deemed to have control over the Group.

(a) Directors' and Secretary's interest

The interests of the Directors and the Company Secretary, including interests of their close family members in the share capital of the Company are as follows:

Number of beneficial ordinary shares held	Position	31 December 2024 Ordinary shares	31 December 2023 Ordinary shares
Julie O'Neill	Chairperson	**20,000**	10,000
Eamonn Crowley	Chief Executive Officer	**50,000**	50,000
Nicola O'Brien (retired 29 August 2024)	Chief Financial Officer	**-**	-
Conor Ryan	Company Secretary	**10**	10
Ronan O'Neill	Non-Executive Director	**-**	4
Donal Courtney (retired 01 October 2024)	Non-Executive Director	**-**	-
Ruth Wandhöfer	Non-Executive Director	**-**	-
Marian Corcoran	Non-Executive Director	**4,500**	-
Paul Doddrell	Non-Executive Director	**4,046**	-
Celine Fitzgerald	Non-Executive Director	**6,227**	-
Anne Bradley	Non-Executive Director	**6,227**	-
Catherine Moroney	Non-Executive Director	**7,462**	-
Rick Gildea	Non-Executive Director	**-**	-

Conor Ryan, as trustee of the employee benefit trust set up under the terms of the long-term incentive plan, has non-beneficial interest in 4,580 shares held in the plan (31 December 2023: 4,580).

There were no transactions in the above Directors' and Secretary's interests between 31 December 2024 and 3 March 2025.

Details of the Directors' remuneration is included in the Directors' Remuneration Report on pages 125 to 129.

(b) Transactions with key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel include Non-Executive Directors, Executive Directors and members of the Executive Committee (ExCo). The Executive Directors and members of the ExCo are listed below:

Members of the ExCo at 31 December 2024

Eamonn Crowley	Chief Executive
Barry D'Arcy	Chief Risk Officer
Patrick Farrell	Chief Retail Banking Officer
Tom Hayes	Chief Technology Officer
Ger Mitchell	Chief Customer and People Officer
Andrew Walsh	Chief Legal Counsel
Peter Vance	Chief Operations Officer
Leontia Fannin	Chief Sustainability and Corporate Affairs Officer

42. Related Parties (continued)

During the year ended 31 December 2024, the following key management personnel changes occurred;

Nicola O'Brien resigned as a member of ExCo and the Board on 29 August 2024 and Leontia Fannin was appointed Chief Sustainability and Corporate Affairs Officer on 1 August 2024.

Non-Executive Directors are compensated by way of fees. In certain circumstances, expenses incurred by Non-Executive Directors during the normal course of business are paid by the Group and are included in taxable benefits. The compensation of Executive Directors and members of the ExCo comprises salary and other benefits together with pension benefits. Previously they also participated in the Group's profit sharing, share option schemes and long-term incentive plans. No awards have been issued under these schemes and plans since 2008.

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

	31 December 2024	31 December 2023
Non-Executive Directors	9	10
Executive Directors and Senior Management	8	8
	17	18

(b) (i) Total compensation to Executive and Non-Executive Directors is as follows:

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Fees	1,038	1,063
Taxable benefits	3	4
Salary and other benefits	789	920
Loss of office payments*	172	-
Pension benefits		
- defined contribution	140	158
Total	2,142	2,145

* Relates to payments to former CFO

Total compensation to other key management personnel is as follows:

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Taxable benefits	4	9
Salary and other benefits	2,709	2,852
Pension benefits		
- defined contribution	397	365
Total	3,110	3,226

There were no connected persons to key management personnel employed by the group during 2024 or 2023.

42. Related Parties (continued)

(b) (ii) Balances and transactions with key management personnel:

In the normal course of its business, the Group had loan balances and transactions with key management personnel and their connected persons. The loans are granted on normal commercial terms and conditions with the exception of certain home loans where Executive Directors and Senior Managers may avail of subsidised loans on the same terms as other eligible management of the Group. All of the loans in the scope of the related party guidelines as outlined under the Companies Act 2014, the Central Bank Related Party lending code 2013 and IAS 24 Related party disclosures are secured, and all interest and principal due at the statement of financial position date has been repaid on schedule and therefore, no provision for loan impairment is required. Total outstanding balances of loans, credit cards, overdrafts and deposits are as follows:

	31 December 2024 €'000	31 December 2023 €'000
Balances		
Loans	1,734	1,147
Unsecured credit card balances and overdrafts	48	8
Deposits	1,209	4,139

	Year ended 31 December 2024 €'000	Year ended 31 December 2023 €'000
Transactions during the year		
Loan advances	56	-
Loan repayments	302	56
Interest received on loans	46	45
Interest paid on deposits	(7)	(2)

Loans to Directors

31 December 2024	Balance as at 1 Jan €'000	Advances during the year €'000	Principal repaid €'000	Balance as at 31 Dec €'000	Interest paid €'000	Maximum balance €'000
Ronan O'Neill*	629	250	13	866	27	879
Eamonn Crowley**	2	40	2	40	-	42
Catherine Moroney*	-	17	4	13	1	17
	631	307	19	919	28	938

31 December 2023	Balance as at 1 Jan €'000	Advances during the year €'000	Principal repaid €'000	Balance as at 31 Dec €'000	Interest paid €'000	Maximum balance €'000
Ronan O'Neill*	640	-	11	629	20	640
	640	-	11	629	20	640

* Represents a loan for a person connected with this Director in accordance with section 307(3) of the Companies Act 2014.
** Includes a loan for a person connected with this Director in accordance with section 307(3) of the Companies Act 2014.

42. Related Parties (continued)

(c) Irish Government and Irish Government related entities

The Minister for Finance continues to be the majority shareholder of the Group (and the ultimate controlling party per IAS 24). The Irish Government is recognised as a related party as the Government is deemed to have control over the Group as defined by IAS 24. The Group has applied the amended IAS 24 which exempts an entity from the related party disclosure requirements in respect of the Government and Government related entities unless transactions are individually or collectively significant. In the normal course of business, the Group has entered into transactions with the Government and Government related entities involving deposits and senior debt.

The following are transactions and balances between the Group and the Government and Government related entities that are collectively significant:

- The Group holds securities issued by the Government of €1,524m (31 December 2023: €1,559m).
- The Group had an investment in associated undertakings of €20m for the year ended 31 December 2024 involving participants that are deemed related parties due to the common ownership by the Government. The amount and nature is referenced in note 22.
- The Group entered into banking transactions in the normal course of business with local Government and Semi-State Institutions such as local authorities and county councils. These transactions principally include the granting of loans, the acceptance of deposits and clearing transactions.
- A bank levy imposed by the Government through the Finance Bill 2014 is payable in the second half of each calendar year. A bank levy payable to government, is provided for on the occurrence of the event identified by the legislation that triggers the obligation to pay the levy. In 2024, the amount recognised in the income statement was €23m (31 December 2023: €22m).
- During 2024, the Group also paid €nil DGS fees to the CBI (2023: €28m) as part of the Deposit Guarantee Scheme.
- During 2013, following the Transfer Order requested by the Central Bank and issued by the High Court dated 10 November 2013, the Group acquired certain assets, liabilities, books and records of Newbridge Credit Union (NCU) and all its employees transferred to the Group. As part of this transaction, along with the assets and liabilities of NCU, a cash financial incentive of €23m was paid from the Credit Institutions Resolution Fund, which forms part of the Financial Incentives Agreement (FIA) signed between the Central Bank and the Group dated 10 November 2013. It was also agreed in the FIA that the Central Bank will use the Credit Institution Resolution Fund to compensate the Group for 50% of any future impairment losses incurred on NCU loans and advances to customers. Similarly, it was also agreed that if any provision write-backs or future recoveries of previously written off NCU loans and advances to customers occurs, the Group will pay a cash amount equivalent to 50% of the provision write-back or the recoveries to the Credit Institutions Resolution Fund. As per the FIA, this arrangement will continue for ten years from the transfer date. During 2024 the FIA concluded, at 31 December 2024 the Group recorded a payable of €nil due under the FIA (31 December 2023: €2.4m).

(d) Other related party transactions

- At 31 December 2024 the Company had an intercompany balance of €1,731m (31 December 2023: €1,512m) with its principal subsidiary PTSB plc relating to the MREL issuance.
- In November 2020, PTSB Group made an investment of €123m in PTSB plc. This investment was through the issuance of AT1 securities by the Company. In October 2022, PTSB Group made an additional investment of €245m in PTSB plc through the issuance of AT1 securities by the Company.
- In May 2021, PTSB plc borrowed €250m from the Group at a fixed rate of 3% per annum plus a margin of 0.181% per annum which mature on 19 August 2031. The loan is subordinated and ranks as Tier 2 capital notes with interest paid annually in arrears on 19 August.

43. Sale of loans and advances to customers

Project Glas III

In July 2024, the Group agreed the sale of a non-performing portfolio (Glas III). The portfolio's gross balance on the Statement of Financial Position as at the date of derecognition was €341m with a carrying amount of €208m.

In line with IFRS 9, the assets have been derecognised from the Statement of Financial Position.

As a result of the transaction, a €9m loss was recorded through the impairment line of the income statement. On 1 November 2024, the deal completed with the receipt of the sale proceeds.

44. Principal subsidiary undertakings and interest in subsidiaries and structured entities

Under IFRS 10 'Consolidated financial statements', the Group has control over an entity when it has the power to direct relevant activities that significantly affect the investee return, it is exposed or has rights to variable returns from its involvement in the investee and has the ability to affect those returns through its powers over the entity.

A subsidiary is considered material if the value of the consolidated total assets at the end of the financial year of the subsidiary and the entities it controls (if any) is more than 1% of the total assets of the Group.

The key subsidiary of the parent meeting the criteria outlined above is:

Name and registered office	Nature of business	Incorporated in	% of ordinary shares held
Held directly by the company:			
Permanent TSB plc			
56-59 St. Stephen's Green, Dublin 2	Retail banking	Ireland	100

In presenting details of the principal subsidiary undertakings, the exemption permitted by section 315 (a) (i) of the Companies Act 2014 in relation to disclosing related undertaking net assets or profit or loss, has been availed of, and the Company will annex a full listing of Group undertakings to its annual return to the Companies Registration Office.

The reporting date for each of the Group's principal subsidiary entities is 31 December.

The principal country of operation of each company is the country in which it is incorporated.

The registered office of Permanent TSB Group Holdings plc is 56-59 St. Stephen's Green, Dublin 2.

(a) Company's interest in subsidiary undertakings

The Company is the ultimate holding company of the Group while PTSB is a 100% subsidiary of the Company. The investment in PTSB is carried at the recoverable amount in the holding company statement of financial position.

At 31 December 2024 the investment amounted to €2,083m (31 December 2023: €2,346m). The Group carried out an impairment assessment using a combination of internal group models and externally available data to inform their view of the recoverable amount of investment. The carrying value of the subsidiary undertaking before adjusting for impairment was €2,346m and recoverable amount based on the VIU was €2,083m resulting in €263m impairment charge (2023: €nil). See Company SOFP on page 403 for further details.

(b) Structured entities (SEs)

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. SEs are generally created to achieve a narrow and well-defined objective with restrictions around their on-going activities. Depending on the Group's power to direct the relevant activities of the investee and its exposure or rights to variable returns from its involvement in the investee and the ability to use its power over the investee to affect the amount of the investor's return, it may consolidate the entity.

Control and voting rights

The Directors of the individual SEs are independent of the Group and neither the Group nor any of its subsidiaries have voting rights in the share capital of these entities. The Group initiated the setup of these SEs and, as architect dictated the terms relating to the operation of these SEs. The Group, as administrator, provides services to the individual SEs. The Group, as administrator, has power to:

- exercise rights, powers and discretions of the issuers in relation to the mortgage loans and their related security and to perform its duties in relation to the mortgage loans and their related securities: and
- to do or cause to be done any and all other things which it reasonably considers necessary, convenient or incidental to the administrator of the mortgage loans and their related security or the exercise of such rights, powers and discretions.

44. Principal subsidiary undertakings and interest in subsidiaries and structured entities (continued)

The key activities performed by the Group's subsidiaries as administrator is:

- to manage the credit risk associated with the mortgages contained in the individual SEs; and
- to determine and set rates of interest applicable to loans on each rate setting date in accordance with the terms of the loans and negotiate the cost of funds associated with these mortgages which may result in a variable return in the entity.

These two items highlight the power the Group has to direct the relevant activities of these entities that significantly affect the investee returns and the ability to use its power to affect variable returns of investors.

The Group provides funding to each of these vehicles by way of a subordinated loan and has an entitlement to deferred consideration. The Group is exposed to the variable returns of the SE's through the subordinated loan and the deferred consideration.

The Group currently has four SEs in issue in the ROI the details of which are outlined below. During 2024, Fastnet Securities 14 DAC and Fastnet 15 DAC collapsed and will be going into liquidation during 2025 and Fastnet 19 was incorporated:

	Sub loan provided
SEs setup with Residential Mortgages	
- Fastnet Securities 16 DAC	√
- Fastnet Securities 17 DAC	√
- Fastnet Securities 18 DAC	√
- Fastnet Securities 19 DAC	√

Although the Group does not own more than half of the voting power, it has the power to control the relevant activities of the SE and the ability to affect the variable returns of the investee and hence these SEs are consolidated. In these cases, the consideration received from the investors in the notes in the form of cash is recognised as a financial asset and a corresponding financial liability is recognised.

At 31 December 2024, restricted cash of €180m (31 December 2023: €217m) relates to cash held by the Group's securitisation.

45. Reporting currency and exchange rates

The consolidated financial statements are presented in millions of Euro.

The following table shows the closing and average rates used by the Group for the current year-end and prior year-end:

	31 December 2024	31 December 2023
€ / £ exchange rate		
Closing	0.8292	0.8691
Average	0.8450	0.8688
€ / US$ exchange rate		
Closing	1.0389	1.1050
Average	1.0808	1.0830

46. Events after the reporting period

In late 2024, the Group announced the opening of a limited voluntary severance scheme. The applications have now closed and are currently being evaluated. The estimated cost of the scheme is €25m. At 31 December 2024, the Group did not have a present obligation as applications were still open and therefore it has not met the recognition criteria for a provision under IAS 37 and is not recognised on the SOFP.

No other items, transactions or events that would materially impact the consolidated financial statements and require adjustment or disclosure to these consolidated financial statements have occurred between the reporting date of 31 December 2024 and the date of the approval of these financial statements by the Board of Directors on 3 March 2025.

Company Financial Statements

Company Statement of Financial Position

As at 31 December 2024

	Note	31 December 2024 €m	31 December 2023 €m
Assets			
Loans and advances to banks	B	**1,956**	1,753
Investment in subsidiary	C	**2,083**	2,346
Total assets		**4,039**	4,099
Liabilities			
Debt securities in issue	D	**1,698**	1,497
Other liabilities		**3**	2
Subordinated liabilities	E	**252**	252
Total liabilities		**1,953**	1,751
Equity			
Share capital	F	**272**	273
Share premium	F	**804**	804
Retained earnings	F	**642**	903
Shareholders' equity		**1,718**	1,980
Other equity instruments	F	**368**	368
Total equity		**2,086**	2,348
Total liabilities and equity		**4,039**	4,099

The accompanying notes form an integral part of these financial statements.

The Company's loss for the financial year determined in accordance with IFRS was €216m (2023: €45m profit).

On behalf of the Board:

Julie O'Neill
Chairperson

Eamonn Crowley
Chief Executive

Barry D'Arcy
Chief Financial Officer

Conor Ryan
Company Secretary

Company Statement of Changes in Equity

For the year ended 31 December 2024

Company	Share capital €m	Share premium €m	Retained earnings €m	Attributable to equity holders of the parent	Other equity instrument €m	Total €m
Balance at 1 January 2023	273	804	901	1,978	368	2,346
Profit for the year ended 2023	-	-	2	2	43	45
Other comprehensive income, net of tax	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2	2	43	45
Transactions with equity holders of the Bank, recorded directly in equity:						
AT1 coupon paid	-	-		-	(43)	(43)
Total contributions by and distributions to owners	-	-	-	-	(43)	(43)
Balance as at 31 December 2023	273	804	903	1,980	368	2,348
Balance as at 1 January 2024	**273**	**804**	**903**	**1,980**	**368**	**2,348**
Loss for the year ended 2024	**-**	**-**	**(259)**	**(259)**	**43**	**(216)**
Other comprehensive income, net of tax	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**(259)**	**(259)**	**43**	**(216)**
Transactions with equity holders of the Bank, recorded directly in equity:						
Buyback of ordinary shares	**(1)**	**-**	**(2)**	**(3)**	**-**	**(3)**
AT1 coupon paid	**-**	**-**	**-**	**-**	**(43)**	**(43)**
Total contributions by and distributions to owners	**(1)**	**-**	**(2)**	**(3)**	**(43)**	**(46)**
Balance as at 31 December 2024	**272**	**804**	**642**	**1,718**	**368**	**2,086**

Company Statement of Cash Flows
For the year ended 31 December 2024

		31 December 2024 €m	31 December 2023 €m
Cash flows from operating activities:			
Operating (loss)/profit before taxation		**(217)**	46
Adjusted for non-cash items and other adjustments:		**217**	(46)
		-	-
Increase in operating assets:			
Loans and advances to banks	**B**	**(92)**	(761)
Increase/(decrease) in operating liabilities:			
Debt securities in issue	**D**	**99**	770
Other liabilities		**-**	(2)
Net cash inflow/(outflow) from operating activities before tax		**7**	7
Tax paid		**-**	-
Net cash inflow/(outflow) from operating activities		**7**	7
Cash flow from investing activities			-
Investments in subsidiary undertakings	**C**	**46**	44
Net cash flow from investing activities		**46**	44
Cash Flow from Financing Activities			
Share buyback		**(2)**	-
Interest paid on Tier 2 capital notes		**(8)**	(8)
AT1 Coupon payment		**(43)**	(43)
Net cash flow from financing activities		**(53)**	(51)
Increase/(decrease) in cash and cash equivalents		**-**	-
Analysis of changes in cash and cash equivalents			
Cash and cash equivalents as at 1 January		**-**	-
Increase/(decrease) in cash and cash equivalents		**-**	-
Cash and cash equivalents as at 31 December		**-**	-

Net cash flows from operating activities includes interest/dividends received of €153m (2023: €57m), interest paid of €105m (2023: €31m) and dividends paid of €43m (2023: €43m).

Reconciliation of liabilities arising from financing activities

	31 December 2024	31 December 2023
1 January	**252**	252
Financing cash flows:		
Issuance of Tier 2 capital notes	**-**	-
Interest paid on Tier 2 capital notes	**(8)**	(8)
Interest accrued on Tier 2 capital notes	**8**	8
31 December	**252**	252

Notes to the Company Financial Statements

A. Accounting policies

The accounting policies adopted by Permanent TSB Group Holdings plc ('Company') are the same as those of the Group as set out in note 1 to the consolidated financial statements where applicable. These financial statements reflect the financial position of the Company only and do not consolidate the results of any subsidiaries.

The individual financial statements of the ultimate holding company, Permanent TSB Group Holdings plc have also been prepared in accordance with IFRS as adopted by the EU and comply with those parts of the Companies Act 2014. In accordance with section 304 (2) of the Companies Act 2014, the Company is availing of the exemption from presenting its individual income statement to the Annual General Meeting and from filing it with the Registrar of Companies.

B. Loans and advances to banks

	31 December 2024 €m	31 December 2023 €m
Held at amortised cost		
Funds placed with subsidiary, Permanent TSB plc ('PTSB')	**1,958**	1,754
ECL allowance	**(2)**	(1)
Loans and advances to banks	**1,956**	1,753

Funds placed with the principal subsidiary, PTSB are stage 1 under IFRS 9. The ratings for PTSB are as follows:

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

In April 2024, the Company subscribed to the €500m of Senior Unsecured Medium Term Note issued by PTSB to meet the subsidiary's internal MREL requirements, which represents down streaming of the proceeds raised by the Company via the external Senior Unsecured issuance. The terms of the Non-Preferred Senior loan were a placement at a base rate of 4.25% plus a margin of 0.18% per annum maturing on 10 July 2030. The interest is received annually in arrears on 10 July.

During 2024, the Company called €300m of Non-Preferred Senior loans which were issued by PTSB in 2022 to meet the subsidiary's internal MREL requirements, which represents down streaming of the proceeds raised by the Company via the external Senior Unsecured issuance. The terms of the Non-Preferred Senior loan were a placement at a base rate of 5.25% plus a margin of 0.14% per annum due to mature on 30 June 2025. The interest was received annually in arrears on 30 June.

In June 2023, the Company subscribed to the €500m of Senior Unsecured Medium Term Note issued by PTSB to meet the subsidiary's internal MREL requirements, which represents down streaming of the proceeds raised by the Company via the external Senior Unsecured issuance. The terms of the Non-Preferred Senior loan were a placement at a base rate of 6.625% plus a margin of 0.18% per annum maturing on 30 Jun 2029. The interest is received annually in arrears on 25 April.

In April 2023, the Company subscribed to the €650m of Senior Unsecured Medium Term Note issued by PTSB to meet the subsidiary's internal MREL requirements, which represents down streaming of the proceeds raised by the Company via the external Senior Unsecured issuance. The terms of the Non-Preferred Senior loan were a placement at a base rate of 6.625% plus a margin of 0.155% per annum maturing on 25 Apr 2028. The interest is received annually in arrears on 25 April.

During 2023, the Company called €350m of Non-Preferred Senior loans, of which €300m was issued by PTSB in 2019 and €50m in 2020 to meet the subsidiary's internal MREL requirements, which represents down streaming of the proceeds raised by the Company via the external Senior Unsecured issuance.

During 2021, the Company subscribed to the €250m of Subordinated loan issued by PTSB to meet the subsidiary's internal MREL requirements, which represents down streaming of the proceeds raised by the Company via the external Subordinated Tier 2 capital note issuance. The terms of the Subordinated loan were a placement at a base rate of 3% plus a margin of 0.181% per annum maturing on 19 August 2026. The interest is received annually in arrears on 19 August.

The maximum exposure to credit risk for financial assets carried at amortised costs at 31 December 2024 is €1,956m (31 December 2023: €1,753m).

The expected credit losses on these placements were €2m at 31 December 2024 (31 December 2023: €1m).

C. Investment in subsidiary

	31 December 2024 €m	31 December 2023 €m
At 1 January	**2,346**	2,346
Impairment of investment	**(263)**	-
At 31 December	**2,083**	2,346

The Company is the ultimate holding company of the Group while PTSB is a 100% subsidiary of the Company. The investment in PTSB is carried at the recoverable amount in the holding company's statement of financial position. At 31 December 2024 the investment amounted to €2,083m (31 December 2023: €2,346m).

The Company carries its investment in its subsidiary undertaking at cost and reviews whether there is any indication of impairment at each reporting date. Impairment testing involves comparing the carrying value of the investment to its recoverable amount. The recoverable amount is the higher of the investment's fair value or its value-in-use (VIU).

An impairment charge arises if the carrying value exceeds the recoverable amount and where the carrying value is not supported by the estimated discounted future cash flows of the underlying business. The recoverable amount of the investment is the higher of its fair value less costs to sell or it's VIU. The carrying value of the investment in PTSB before adjusting for impairment was €2,346m and recoverable amount based on the VIU was €2,083m resulting in a €263m impairment charge for the year (31 December 2023: no impairment charge). The VIU calculation considers the future free cash flows following the repayment of any amounts due on the Loans and advances to banks.

While the recoverable amount based on the VIU exceeds market capitalisation at the 31 December 2024, the depressed share price is the result of the overall subdued banking environment currently in which the entity operates along with various entity specific factors that affect the liquidity of the shares.

The VIU is the present value of the future free cash flows expected to be derived from the investment, based upon a VIU calculation that discounts expected pre-tax free cash flows at a discount rate appropriate to the investment. The discount rate used for the 2024 VIU calculation was 11.5% (31 December 2023: 11.5%).

In October 2024 Permanent TSB plc made a distribution of €2m to its sole shareholder Permanent TSB Group Holdings plc. The distribution related to the share buyback of Permanent TSB Group Holdings plc shares in October 2024.

See note 2 to the consolidated financial statements for a sensitivity analysis on the key assumptions used in the calculation.

D. Debt securities in issue

	31 December 2024 €m	31 December 2023 €m
At amortised cost		
Bonds and medium-term notes	**1,698**	1,497
	1,698	1,497
Maturity analysis		
Repayable in less than 1 year	**56**	54
Repayable in greater than 1 year but less than 5 years	**1,145**	945
Repayable in greater than 5 years	**497**	498
	1,698	1,497

Notes to the Company Financial Statements (continued)

E. Subordinated liabilities

	31 December 2024 €m	31 December 2023 €m
At amortised cost		
€250m Tier 2 capital notes due August 2031, Callable 2026	**252**	252
	252	252
Maturity analysis		
Repayable in less than 1 year	**3**	3
Repayable in greater than 1 year but less than 5 years	**-**	-
Repayable in greater than 5 years	**249**	249
	252	252

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

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

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

F. Share capital and reserves
The share capital of Permanent TSB Group Holdings plc is detailed in note 33 to the consolidated financial statements, all of which relates to Permanent TSB Group Holdings plc.

G. Related parties
Related parties include individuals and entities that can exercise significant influence on operational and financial policies of the Group.

The Group has a related party relationship with its Directors, Senior Executives, the Group's pension schemes, the Minister for Finance and with the Irish Government and Irish Government related entities on the basis that the Irish Government is deemed to have control over the Group.

Related parties of Permanent TSB plc include subsidiary undertakings, associated undertakings, joint undertakings, post-employment benefit schemes, Key Management Personnel and connected parties. The Irish Government is also considered a related party by virtue of its effective control of Permanent TSB. See note 42 of the consolidated financial statements for further details.

At 31 December 2024, the Company had an intercompany balance of €1,698m (31 December 2023: €1,497m) with its principal subsidiary PTSB relating to the MREL issuance and €252m (31 December 2023: €252m) relating to Tier 2 capital issuances.

H. Audit Fees
€0.05m audit fees were paid to the auditors, KPMG, for services relates to the audit of the separate financial statements of PTSBGH during the year to 31 December 2024 (31 December 2023: €0.05m).

General Information

Alternative Performance Measures

The financial performance of the Group is assessed by Management using various financial measures, some of which are not defined by IFRS and do not have a standard guidance for calculation. Therefore, these measures may not be directly comparable to other peers. Management believes that these measures provide useful information in assessing the Group's financial performance. Preference should be given to IFRS measures over non-IFRS measures when assessing financial performance of the Group.

The definitions and calculation methodology for the Alternative Performance Measures noted below are consistent with the prior year.

1. Underlying profit

The underlying profit is the measure of adjusted profits realised by the Group. This measure is used by the Group for its strategic planning process and reflects the true economic substance of the Group's financial performance. The table below details the calculation of underlying profit. Exceptional items and non-recurring items are excluded from the operating expenses as Management considers these items as non-reflective of core operating costs.

	Year ended 31 December 2024 €m	Year ended 31 December 2023 €m
Operating profit before taxation per IFRS income statement	**159**	79
Other exceptional items (Restructuring and other costs) in IFRS total operating expenses	**(2)**	33
Exceptional impairment arising from deleveraging of loans	**2**	(5)
Non-IFRS adjustments		
Other non-recurring items*	**21**	59
Underlying profit per management income statement	**180**	166

*Full breakdown of Other non-recurring items in Financial Review table 5.

Management's definition of underlying profit excludes exceptional items and other items that Management view as non-recurring. In the current year, deleveraging of loans post 2021, non-recurring items include accelerated amortisation of intangible assets and additional provision relating to legacy legal cases.

2. Exceptional and Other Non-Recurring Items

A reconciliation of exceptional costs as set out in the financial statements and exceptional and other non-recurring costs as set out in the Financial Review is detailed below.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Restructuring and other costs	Income Statement	**(2)**	2
Costs incurred in relation to Ulster Bank business combination	Income Statement	**-**	31
Exceptional impairment write-back arising from deleveraging of loans	Income Statement	**2**	(5)
Exceptional items		**-**	28
Other non-recurring items	Financial Review	**21**	59
Exceptional and other non-recurring items	Financial Review	**21**	87

3. Adjusted cost income ratio

Operating expenses (excluding exceptional, other non-recurring items and regulatory charges) divided by total operating income. Management considers adjusted cost income ratio to be an important metric to assess the profitability of the Group after adjusting for non-controllable costs.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Total operating expenses	Income Statement	**545**	538
Exceptional items	Income Statement	**(2)**	(33)
Non-recurring items (included within total operating expenses)	Table 5 Financial Review	**(12)**	(1)
Bank levy	Note 8	**(23)**	(22)
Regulatory charges	Note 8	**(10)**	(38)
Total operating expenses (excluding exceptional, other non-recurring items and regulatory charges)	Financial Review	**498**	444
Total operating income	Income statement	**672**	668
Adjusted cost income ratio		**74%**	66%

4. Headline cost income ratio

Total operating expenses (excluding exceptional items) divided by total operating income. The difference between adjusted cost to income ratio and headline cost income ratio is due to regulatory charges and bank levy.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Total operating expenses	Income statement	**545**	538
Exceptional items	Financial review	**(2)**	(33)
Non-recurring items (included in total operating expenses)	Financial review	**(12)**	(1)
Total operating expenses (excluding exceptional and other non-recurring items)		**531**	504
Total operating income	Income statement	**672**	668
Headline cost income ratio	Financial review	**79%**	75%

5. CET 1 fully loaded basis*

Total common equity tier 1 capital on a fully loaded basis divided by total risk weighted assets on a fully loaded basis. CET1 ratio provides an insight into how well the Bank can withstand financial stress and remain solvent.

	Source/Cross Reference	31 December 2024 Fully Loaded €m	31 December 2023 Fully Loaded €m
Common equity tier 1	Capital Management	**1,684**	1,616
Risk weighted assets	Capital Management	**11,494**	11,546
CET 1 fully loaded	Capital Management	**14.7%**	14.0%

* The full year profits recognised in the year end capital ratios remain subject to approval by the Regulator.

Alternative Performance Measures (continued)

6. CET 1 transitional basis*

Total CET 1 capital on a transitional basis divided by total RWAs on a transitional basis. CET1 ratio provides an insight into how well the bank can withstand financial stress and remain solvent.

		31 December 2024	31 December 2023
		Transitional	Transitional
	Source/Cross Reference	€m	€m
Common equity tier 1	Capital Management	**1,684**	1,647
Risk weighted assets	Capital Management	**11,494**	11,546
CET 1 transitional basis	Capital Management	**14.7%**	14.3%

* The full year profits recognised in the year end capital ratios remain subject to approval by the Regulator.

7. Leverage ratio*

The leverage ratio is calculated by dividing Tier 1 capital by gross balance sheet exposures (total assets and off balance sheet exposures). Leverage ratios give an insight to the Group's financial health and its capability to meet its financial liabilities and obligations.

		31 December 2024		31 December 2023	
		Transitional	Fully loaded	Transitional	Fully loaded
	Source/Cross Reference	€m	€m	€m	€m
Tier 1 Capital	Capital Management	**2,052**	**2,052**	2,015	1,984
Gross balance sheet exposures					
Leverage ratio exposure measure		**28,847**	**28,847**	27,669	27,669
Leverage ratio	Capital Management	**7.1%**	**7.1%**	7.3%	7.2%

* The full year profits recognised in the year end capital ratios remain subject to approval by the Regulator.

8. Liquidity coverage ratio (LCR)

Calculated based on the Commission Delegated Regulation (EU) 2015/61. The Group uses this measure to assess the resistance of the liquidity profile of the Group over a 30 day stressed horizon.

		31 December 2024	31 December 2023
	Source/Cross Reference	€m	€m
Liquidity coverage ratio	Financial Review	**255%**	220%

9. Net stable funding ratio (NSFR)

Defined as the ratio of available stable funding to required stable funding. The NSFR is a liquidity standard requiring banks to hold sufficient stable funding over a 1 year time horizon. A minimum 100% requirement became binding in June 2022.

		31 December 2024	31 December 2023
	Source/Cross Reference	€m	€m
Net stable funding ratio (minimum 100%)	Financial Review	**166%**	155%

10. Loan to deposit ratio (LDR)

Ratio of loans and advances to customers compared to customer accounts as presented in the statement of financial position. LDR reflects the Group's ability to cover loan losses and withdrawals by its customers. Management considers LDR to be an important metric for assessing liquidity.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Loans and advances to customers	Note 20	**21,423**	21,427
Customer accounts	Note 27	**24,120**	22,966
Loan to deposit ratio		**89%**	93%

11. Net interest margin (NIM)

NIM is derived by dividing the net interest income by the average interest earning assets. Management considers NIM to be an important operating metric and reflects the differential yield over the average interest earning assets and cost of funding those assets.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Net interest income	Income Statement	**612**	620
Total average interest earning assets	Table 2 - Financial Review	**27,686**	26,584
Net interest margin (NIM)		**2.20%**	2.32%

12. Non-performing loans (NPLs)

NPLs are loans which are credit impaired or loans which are classified as defaulted in accordance with the Group's definition of default. Management considers NPLs to be an important metric as it reflects the risk profile of the Group.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Residential:			
- Home loans	Note 21	**259**	403
- Buy to let	Note 21	**71**	267
Commercial	Note 21	**24**	20
Consumer finance	Note 21	**20**	16
Finance leases and hire purchase receivables	Note 21	**8**	12
Non-performing loans		**382**	718

13. Foreclosed assets

Foreclosed assets are defined as assets held on the balance sheet, which are obtained by taking possession of collateral or by calling on similar credit enhancements.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Foreclosed assets	Note 36	**7**	11

14. Non-performing assets (NPAs)

NPAs are NPLs plus foreclosed assets.

Foreclosed assets are defined as assets held on the balance sheet, which are obtained by taking possession of collateral or by calling on similar credit enhancements.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Non-performing loans	Note 21	**382**	718
Foreclosed assets	Note 36	**7**	11
Non-performing assets		**389**	729

15. Return on Shareholder equity (ROE) / Return on Tangible Equity (ROTE)

ROE is profit after tax less AT1 coupons paid (before exceptional and non-recurring items) expressed as a percentage of total average equity. ROTE is profit after tax less AT1 coupons paid (before exceptional and non-recurring items) expressed as a percentage of targeted CET1 capital.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Profit for the year after tax	Income Statement	**162**	68
AT1 coupons paid	SOCIE	**(43)**	(43)
Exceptional items and other non-recurring items (after tax)	Table 5 - Financial Review	**18**	76
Tax exceptional		**(16)**	-
Attributable earnings		**121**	101
Total average equity	Table 2 - Financial Review	**2,457**	2,424
Return on shareholder equity		**4.9%**	4.2%
Average RWA	Capital Management	**11,521**	11,087
RWA*14.1% CET1 target		**1,621**	1,560
Return on Tangible Equity		**7.5%**	6.5%

16. Risk weighted assets (RWAs)

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

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Risk weighted assets	Capital Management	**11,494**	11,546

17. Total capital ratio (fully loaded basis)*

The total capital ratio is the ratio of a bank's total capital (Tier 1 and Tier 2 capital) to its RWAs.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Tier 1 Capital	Capital Management	**2,052**	1,984
Tier 2 Capital	Capital Management	**292**	290
Total Capital	Capital Management	**2,344**	2,274
Risk weighted assets	Capital Management	**11,494**	11,546
Total capital ratio (fully loaded basis)	Capital Management	**20.4%**	19.7%

*The full year profits recognised in the year end capital ratios remain subject to approval by the Regulator.

18. Total capital ratio (transitional basis)*

The total capital ratio is the ratio of a bank's total capital (Tier 1 and Tier 2 capital) to its RWAs.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Tier 1 Capital	Capital Management	**2,052**	2,015
Tier 2 Capital	Capital Management	**292**	290
Total Capital	Capital Management	**2,344**	2,305
Risk weighted assets	Capital Management	**11,494**	11,546
Total capital ratio (transitional basis)	Capital Management	**20.4%**	20.0%

*The full year loss recognised in the year end capital ratios remain subject to approval by the Regulator.

19. Average interest earning assets

Interest earning assets include loans and advances to banks, loans and advances to customers, debt securities and derivative assets.

Average balances on interest earning assets are calculated as the average of the monthly interest earning asset balances from December 2023 to December 2024, thirteen months in total.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Average interest earning assets			
Loans and advances to banks	Table 2 - Financial Review	**2,610**	2,795
Loans and advances to customers	Table 2 - Financial Review	**21,221**	20,547
Debt securities and derivative assets	Table 2 - Financial Review	**3,855**	3,242
Total average interest earning assets		**27,686**	26,584

20. Average interest bearing liabilities

Interest bearing liabilities include customer accounts, deposits by banks, debt securities in issue, and lease liabilities.

Average balances on interest bearing liabilities are calculated as the average of the monthly interest bearing liabilities balances from December 2023 to December 2024, thirteen months in total.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Average interest bearing liabilities			
Customer accounts	Table 2 - Financial Review	**23,541**	22,340
Debt securities in issue and derivative liabilities	Table 2 - Financial Review	**1,686**	1,222
Lease liabilities	Table 2 - Financial Review	**34**	29
Subordinated liabilities	Table 2 - Financial Review	**250**	254
Deposits by banks	Table 2 - Financial Review	**567**	1,051
Total average interest bearing liabilities		**26,078**	24,896

21. Average yield on average interest earning assets

Average yield on average interest earnings assets is defined as the average interest income on interest earning assets, divided by the total average interest earning assets balances.

Average interest income on interest earning assets is calculated as the average of the interest income arising on each of the interest earning assets from December 2023 to December 2024, thirteen months in total.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Average interest income on interest earning assets			
Loans and advances to customers	Table 2 - Financial Review	**747**	661
Debt securities and derivative assets	Table 2 - Financial Review	**65**	36
Loans and advances to banks	Table 2 - Financial Review	**87**	81
Total average interest income from interest-earning assets		**899**	778
Total average earning assets	Table 2 - Financial Review	**27,686**	26,584
Average yield on average interest earning assets		**3.25%**	2.94%

22. Average rate on average interest bearing liabilities

Average rate on average interest bearing liabilities is defined as average interest expense on interest bearing liabilities divided by the total average interest bearing liabilities balances.

Average interest expense on interest bearing liabilities is calculated as the average of the interest expense arising on each of the interest bearing liabilities from December 2023 to December 2024, thirteen months in total.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Average interest expense on interest bearing liabilities			
Customer accounts	Table 2 - Financial Review	**139**	43
Debt securities in issue	Table 2 - Financial Review	**115**	71
Lease liabilities	Table 2 - Financial Review	**1**	1
Subordinated liabilities	Table 2 - Financial Review	**9**	8
Deposits by banks	Table 2 - Financial Review	**23**	35
Total average interest income on interest bearing liabilities		**287**	158
Total average bearing liabilities	Table 2 - Financial Review	**26,078**	24,896
Average rate on average interest bearing liabilities		**1.10%**	0.64%

23. NPLs as % of gross loans (NPL ratio)

NPLs as % of gross loans are defined as NPLs divided by gross loans and advances to customers. Management considers NPLs as % of gross loans to be an important metric as it reflects the risk profile of the Group.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Non-performing loans	Note 21	**382**	718
Gross loans and advances to customers	Note 21	**21,515**	21,688
NPLs as % of gross loans		**1.8%**	3.3%

24. Average equity attributable to owners

This is an average of the equity position of each individual month from December 2023 to December 2024, thirteen months in total. Management considers average equity attributable to owners to be an important metric for assessing profitability and generation of returns from its investments.

	Source/Cross Reference	31 December 2024 €m	31 December 2023 €m
Average equity attributable to owners	Table 2 - Financial Review	**2,457**	2,424

Abbreviations

The following information has not been subject to audit by the Group's Independent Auditor.

ALCo Asset and Liability Committee
AGM Annual General Meeting
AIMRO Association of Irish Market Research Organisations
ALM Asset Liability Management
API Application Programming Interfaces
ASAI Advertising Standards Association of Ireland
AT1 Additional Tier 1
BAC Board Audit Committee
BCM Business Continuity Management
BITCI Business in the Community Ireland
BRCC Board Risk and Compliance Committee
BRRD Banking Recovery and Resolution Directive
BTL Buy-to-let
C&M Classification & Measurement
CAC Capital Adequacy Committee
CBI Central Bank of Ireland
CCB Capital Conservation Buffer
CCMA Code of Conduct on Mortgage Arrears
CCyB Counter Cyclical Buffer
CDF Career Development Framework
CEO Chief Executive
CFO Chief Financial Officer
CET 1 Common Equity Tier 1
CFP Contingency Funding Plan
CODM Chief Operating Decision Maker
CPI Consumer Price Index
CRD IV Capital Requirements Directive IV
CRE Commercial Real Estate
CRO Chief Risk Officer
CRR Capital Requirements Regulation
CSAs Credit Support Annex
CSO Central Statistics Office
CSR Corporate Social Responsibility
CVA Credit Valuation Adjustment
DDI Debt to Disposable Income
DGS Deposit Guarantee Scheme
DIRT Deposit Interest Retention Tax
DoF Department of Finance
DTA Deferred Tax Asset
DVA Debit Valuation Adjustment
EAR Earnings at Risk
EBA European Banking Authority
EC European Commission
ECAI External Credit Assessment Institution
ECB European Central Bank
ECL Expected Credit Loss
EIR Effective Interest Rate
ELG Eligible Liabilities Guarantee
ESG Environmental Social Governance
ESMA European Securities and Markets Authority
ESRI Economic & Social Research Institute
EU European Union
EV Economic Valuation
EWI Early Warning Indicator
ExCo Executive Committee
FIA Financial Incentives Agreement
FLI Forward looking information
FSPO Financial Services and Pensions Ombudsman Bureau of Ireland
FTE Full Time Equivalent
FVOCI Fair value through other comprehensive income
FVTPL Fair value through profit or loss
FX Foreign Exchange
GCC Group Credit Committee
GDP Gross Domestic Product
GIA Group Internal Audit
GPPC Global Public Policy Committee
GRC Group Risk Committee
GRMA Group Risk Management Architecture
GRMF Group Risk Management Framework
HFT Held for Trading
HICP Harmonised Index of Consumer Prices
HPI House Price Index
HTC Hold to Collect
HTC&S Hold to Collect and Sell
HQLA High Quality Liquid Assets
IAS International Accounting Standards
IASB International Accounting Standards Board
IBCB Irish Banking Culture Board
IBNR Incurred But Not Reported
ICAAP Internal Capital Adequacy Assessment Process
IFRIC International Financial Reporting Standards Interpretations Committee
IFRS International Financial Reporting Standards
IIA Institute of Internal Auditors
ILAAP Internal Liquidity Adequacy Assessment Process
IMF International Monetary Fund
IOB Institute of Banking
IOM Isle of Man
IPP Integrated Planning Process
IRB Internal rating based approach
IRRBB Interest Rate Risk in the Banking Book
ISA International Standards on Auditing
ISDA International Swaps and Derivatives Association
LCR Liquidity Coverage Ratio
LDR Loan to Deposit Ratio
LGD Loss Given Default
L&R Loans and Receivables
LSI Less Significant Institution
LTIP Long Term Incentive Plan
LTV Loan to value
MCO Maximum Cumulative Outflow
MGC Model Governance Committee
MREL Minimum Requirement for own funds and Eligible Liabilities
MRP Mortgage Redress Programme
MTN Medium Term Note
MTP Medium Term Plan
NCU Newbridge Credit Union
NII Net Interest Income
NIM Net Interest Margin
NPL Non Performing Loan
NPS Net Promoter Score
NSFR Net Stable Funding Ratio
OCI Other Comprehensive Income
OTC Over the counter
P2G Pillar 2 Guidance
P2R Pillar 2 Requirement
PBI PBI Limited (formerly Permanent Bank International Limited)
PD Probability of Default
PDH Principal Dwelling House
POCI Purchased or Originated Credit Impaired
PSD2 Payment Services Directive 2
PTSB Permanent TSB plc.
PTSBGH Permanent TSB Group Holding plc.
RAF Risk Appetite Framework
RAS Risk Appetite Statement
RCA Root Cause Analysis
RCSA Risk and Control Self Assessment
ROE Return on Shareholder equity
ROTE Return on Tangible Equity
RMBS Residential Mortgage Backed Securities
RNPS Relationship Net Promoter Score
ROI Republic of Ireland
RP Restructuring Plan
RPA Robotic Process Automation
RPPI Residential Property Price Index
RWA Risk Weighted Assets
SBCI Strategic Banking Corporation of Ireland
SE Structured Entities
SEAI Sustainable Energy Authority of Ireland
SEI Social Entrepreneurs Ireland
SFS Standard Financial Statement
SFT Securities Financing Transaction
SICR Significant increase in Credit Risk
SID Senior Independent Director
SME Small and medium sized enterprises
SOFP Statement of Financial Position
SPP Strategic Performance Priorities
SPPI Solely Payments of Principle and Interest
SPV Special Purpose Vehicle
SREP Supervisory Review & Evaluation Process
SSM Single Supervisory Mechanism
TCPID Trinity Centre for People with Intellectual Disabilities
TLTRO Targeted Long-Term Refinancing Operations
TME Tracker Mortgage Examination
TRIM Targeted Review of Internal Models
UK United Kingdom
VIP Values in Practice
VIU Value in Use
WTO World Trade Organisation

Definitions

The following information has not been subject to audit by the Group's Independent Auditor.

ALCo Asset and Liability Committee

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.

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

Basis point One hundredth of a per cent (0.01%), so 100 basis points is 1%. It is the common unit of measure for interest rates and bond yields.

Buy-to-let Residential mortgage loan provided to purchase residential investment property to rent it out.

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

Company Permanent TSB Group Holdings plc or PTSBGH

Commercial property Commercial property lending focuses primarily on the following property segments:
a) Apartment complexes;
b) Develop to sell;
c) Office projects;
d) Retail projects;
e) Hotels; and
f) Selective mixed-use projects and special purpose properties.

Common Equity Tier 1 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.

Cost to income ratio Total operating expense divided by total operating income.

Credit Default Risk The event in which companies or individuals will be unable to make the required payments on their debt obligations.

CRD Capital Requirements Directives (CRD) is statutory law implemented by the European Union for capital adequacy. CRD have introduced a supervisory framework in the European Union which reflects the Basel II and Basel III rules on capital measurement and capital standards.

Credit-related commitments Commitments to extend credit, standby letters of credit, guarantees and acceptances which are designed to meet the requirements of the customers.

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.

CVA Credit Valuation Adjustment (CVA) 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.

Customer accounts Money deposited with the Group by counterparties other than banks and classified as liabilities. This includes various types of unsecured deposits, credit current and notice accounts.

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

Debt securities in issue Transferable certificates of indebtedness of the Group to the bearer of the certificates. They include commercial paper, certificates of deposit, bonds and medium-term notes.

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.

DVA Debt Valuation Adjustments (DVA) an adjustment made by an entity to the valuation of over-the-counter derivative liabilities to reflect, within fair value, the entity's own credit risk.

Eurozone The Eurozone, is a monetary union of 19 of the 28 European Union (EU) member states which have adopted the euro (€) as their common currency and sole legal tender. The other nine members of the European Union continue to use their own national currencies. The Eurozone consists of Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain.

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

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.

Definitions (continued)

Foreclosed assets Foreclosed assets are defined as assets held on the balance sheet and obtained by taking possession of collateral or by calling on similar credit enhancements.

Foreign currency exchange risk The risk of volatility in earnings resulting from the retranslation of foreign currency (e.g. Sterling and US dollar) denominated assets and liabilities from mismatched positions.

GDP Gross Domestic Product (GDP) 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 plc Group Holdings plc and its subsidiary undertakings.

Guarantee A formal pledge by the Group to pay debtor's obligation in case of default.

HTC Hold to Collect (HTC) non derivative financial assets held with the objective to collect contractual cash flows.

HTC&S Hold to Collect and Sell (HTC&S) are non-derivative financial assets held with the objective of both collecting contractual cash flows and selling financial assets.

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

Hybrid A combination of two or more forbearance arrangements.

ICAAP Internal Capital Adequacy Assessment Process (ICAAP) is a supervisory review and an evaluation process to assess the Group's own calculations and the adequate capital which Group considers necessary to cover the risks they take and which they are exposed to.

ILAAP Internal Liquidity Adequacy Assessment Process (ILAAP) is a supervisory review and an evaluation process to assess the Group's own calculations and the adequate liquidity which the Group consider necessary to cover the risks they take and which they are exposed to.

IRBA The Internal Ratings Based Approach (IRBA) allows banks to use their 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.

Loan to deposit ratio The ratio of loans and receivables compared to customer accounts, as presented in the statement of financial position.

LCR Liquidity Coverage Ratio(LCR) is the ratio to ensure that 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 LCR will be phased in over a number of years, with credit institutions obliged to hold 60% of their full LCR in 2015, 70% in 2016, 80% in 2017 and 100% in 2018, as per CRD IV.

LGD Loss Given Default (LGD) 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.

LTV Loan to Value (LTV) is a lending risk assessment ratio of mortgage amount to 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.

Medium term notes Medium term notes (MTNs) are debt notes issued by the Group which usually mature in five to ten years. They can be issued on a fixed or floating coupon basis.

NII Net Interest Income (NII) is the difference between interest earned on assets and interest paid on liabilities.

NIM Net Interest Margin (NIM) is a performance metric that measures the difference between interest income generated on lending and the amount of interest paid on borrowings relative to the amount of interest-earning assets.

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

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.

NSFR Net Stable Funding Ratio (NSFR) is designed to act as a minimum enforcement mechanism to complement the shorter term focused liquidity coverage ratio.

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 or systems and human error, fraud, or from external events.

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

Repurchase agreement A short term funding agreement that allows a borrower to create a collateralised loan by selling a financial asset to a lender. As part of the agreement, the borrower commits to repurchase the security at a date in the future repaying the proceeds of the loan. For the counterparty to the transaction, it is termed a reverse repurchase agreement or a reverse repo.

ROE Return on Shareholder equity is profit after tax less AT1 coupons paid (before exceptional and non-recurring items) expressed as a percentage of total average equity.

ROTE Return on Tangible Equity is profit after tax less AT1 coupons paid (before exceptional and non-recurring items) expressed as a percentage of targeted CET1 capital.

RMBS Residential Mortgage Backed Securities (RMBS) are debt obligations that represent claims to the cash flows from pools of mortgage loans, most commonly on residential property.

RWAs Risk weighted assets (RWAs) is a measure of amount of bank's assets or off-balance sheet exposures which are weighted according to risk on prescribed rules and formulas as defined in the under Basel Banking Accord.

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

Settlement Risk The risk that the Group delivers a sold asset or cash to a counterparty and then does not receive the corresponding cash or purchased asset as expected.

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.

SPE/SPV Special purpose entity (SPE) is a legal entity which can be a limited company or a limited partnership created to fulfil specific or temporary objectives. SPEs are typically used by companies to isolate the firm from financial risk. This term is used interchangeably with SPV (Special Purpose Vehicle).

Stress testing A technique used to evaluate the potential effects on an institution's financial condition of an exceptional but plausible event and/or movement in a set of financial variables.

Structured securities Structured securities are complex lending arrangements created to meet needs that cannot be met from traditional financial instruments available in the markets, through the structuring of assets or debt issues in accordance with customer and/or market requirements. Structured debt securities have the potential to decrease risk, create liquidity, and increase yield.

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 revaluation reserves, undisclosed reserves, hybrid instruments and subordinated term debt.

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.