**31 July 2025**

**Permanent TSB Group Holdings plc (‘the Bank’)**

**HALF YEAR RESULTS TO JUNE 2025**

***Comment by Eamonn Crowley, Chief Executive:***

*“As PTSB completes the first six months of its three-year business strategy, I am pleased with the performance the Bank has delivered in H1 2025. While certain financial metrics are lower versus the previous year, this is in line with management expectations given the more challenging interest rate environment we are operating in.*

*We have made great progress in providing customers with much-needed competition with new mortgage lending up 84% year on year and new Business Banking lending up 23%. This progress is also evident in our book growth, with deposits up 7%, our mortgage book up 3% and our Business Banking book up 14%.*

*We are also improving our efficiency, with operating expenses reduced by 1%. Our liquidity and capital positions remain strong, with our CET1 ratio reaching 15.5% at the end of June. There is also a strong market appetite to invest in PTSB, as can be seen from the success of NatWest’s recent share disposal which marked another important step towards normalising the composition of our shareholder base.*

*Our guidance for 2025 remains unchanged, as does our intention to restart dividend payments to our shareholders next year, subject to financial position and required approvals.”*

**KEY FINANCIAL HIGHLIGHTS (*all comparisons vs. H1 2024 unless otherwise stated)*:**

* CET1 ratio of 15.5% on a CRR3[[1]](#footnote-1) basis (December 2024 14.7%)
* Customer deposits of €25.2 billion, up 7%
* Total Gross Loans of €22.2 billion, up 4%
* Underlying Profit Before Tax[[2]](#footnote-2) of €51 million, 38% lower
* Reported PBT €19 million, driven by exceptionals
* Operating Profit of €51 million, 17% lower
* Total Income of €322 million, 4% lower
* Net Interest Income of €288 million, 7% lower
* Net Interest Margin (NIM) of 2.02% (2.27%)
* Operating Expenses of €271 million, 1% lower
* Cost Income Ratio[[3]](#footnote-3) of 76%, 3 ppt higher
* Asset Quality remains strong with no impairment charge in H1 (0bps Cost of Risk); Non-performing loans (NPLs) were €387 million (1.8% of gross loans)

**OTHER HIGHLIGHTS:**

* Our IRB mortgage model application was submitted to the Central Bank of Ireland on May 30th
* The Bank continues to expect a reduction in staff numbers of c. 300 in 2025 through a combination of the Bank’s voluntary severance scheme and natural attrition
* Total new lending of €1.6 billion, up 66%
* New Mortgage lending of €1.3 billion up 84% and our share of this market increased to over 20%[[4]](#footnote-4) in H1 (13.5% in H1 2024). Our Gross Mortgage book grew 3%
* New lending in Business Banking (SME & Asset Finance) up 23% and growth in the book of 14%
* Fitch further upgraded the rating of PTSB Group Holdings by one notch to BBB
* NatWest sold its remaining 11.7% stake bringing the Bank’s free float shareholding to 42.5% and marking another important step in normalising the composition of our share register
* The Bank expects to return to making shareholder distributions next year (2026), subject to financial position and required approvals

**FINANCIAL PERFORMANCE**

**(*all comparisons vs. H1 2024 unless otherwise stated*)**

**Income**

Net interest income of €288 million reduced 7% as the effects of lower interest rates on our margin offset higher average interest earning assets. NIM was 2.02%, which compares with 2.27% for H1 2024.

The reduction in NIM primarily reflects the impact of lower interest rates across our lending and treasury assets and higher term deposit costs. NIM is 8bps lower than the Q4 2024 figure of 2.10%, driven by ECB rate reductions, the mortgage rate reductions announced by the Bank in January and strong deposit growth.

Recent deposit rate reductions by the Bank which became effective from April 2nd have helped negate the effect of two further 25bps reductions in ECB base rates in April and June. We expect little change in NIM over the second half and we therefore reiterate our guidance of >2.0% for the full year. This is based on the assumption that the ECB deposit rate remains at 2.0%. The Bank’s interest rate sensitivity continues to reduce and every 1% reduction in base rates reduces net interest income by c. €9m[[5]](#footnote-5).

Net fees and commissions were up 35% in H1. This reflects modest growth in underlying activity with income 1H1boosted by the earlier recognition of a receipt in our payments business (c. €4 million, usually recognised in H2), and the full period effect of changes in current account pricing introduced in April 2024.

**Operating Expenses**

Total operating expenses reduced 1% in H1 2025 to €271 million, with underlying costs excluding regulatory charges unchanged. Regulatory charges were €25 million reduced from €29 million in H1 2024. Excluding these charges, the Bank’s Cost Income Ratiowas 76% and the Bank remains focused on reducing this ratio in the coming years.

The Bank is implementing a number of initiatives under its Strategic Business Transformation (SBT) Programme. These include 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, the introduction of a new contact centre platform to improve both colleague and customer experience and customer correspondence via email to reduce paper usage.

The Bank's voluntary severance scheme, another initiative under SBT, is at an advanced stage and when combined with natural attrition, we continue to expect a reduction in staff numbers of c. 300 in 2025. The severance scheme will generate annualised cost savings of c. €19 million per annum, and an exceptional charge of €29 million associated with it was recognised in the first half. Staff numbers at the end of June were 3,085, down 162 or 5% compared with 3,247 at year-end.

For full year 2025, we remain on track to meet our cost target of €525 million.

**Asset Quality**

Asset Quality remains strong and we recorded a nil charge in the income statement for the first half (0bps cost of risk). While macro-economic risk and uncertainty have increased since year end, we have made only modest changes to our impairment forecasting scenarios given they already incorporated a trade tariff shock of 15%-20%.

Non-Performing Loans were little changed in the period at €387 million at end June 2025 and this represents 1.8% of gross loans. Our total provisions were €389 million (coverage of 1.8%) which includes €43 million of in-model adjustments and €101 million of model overlays. As previously indicated, a review is taking place of our IFRS9 models which will capture the recent experience of our loan book with an outcome expected for residential mortgages in 2025.

**BALANCE SHEET & BUSINESS PERFORMANCE**

**Customer Loans**

Total gross loans rose to €22.2 billion up c. 2% year to date and close to 4% year-on-year (YoY). Our share of new mortgage drawdowns in H1 2025 was over 20%, up significantly on H1 2024 (13.5%). Green mortgage lending accounted for 43% of all new mortgage loans as we continue to support customers with their transition to a low-carbon economy. The reduction in mortgage fixed rates that were announced in mid-January continues to support our effort to maintain our competitive presence in the market while securing a very high level of retentions on our back book.

Meanwhile we continue to make strong progress in diversifying our income with new lending in Business Banking (SME and Asset Finance) up 23% and growth in the book of 14% to over €1.2 billion at end June.

New consumer term lending pay-outs of €61 million reduced by 6%. Digital adoption continues to be a key enabler for this product, with c. 84% of new term lending drawdowns occurring through our direct channels.[[6]](#footnote-6) PTSB recognises the opportunity for growth in the consumer lending market and has a strong ambition to increase our market share by providing customers with a competitive, differentiated product and service offering.

**Funding and Liquidity**

Customer deposits were €25.2 billion, an increase of 5% year to date (c. €1.1 billion) or 7% YoY. Around three quarters of this growth was in retail term and corporate deposits, with a slowdown in the accumulation of these balances after our deposit rate changes in April.

Current account balances rose €0.2 billion during the first half to €9.4 billion. The Bank was successful in acquiring new customers with our innovative Explore Current Account and this will remain a key area of focus in the medium term.

Our loan/deposit ratio reduced to 86% at end June 2025 and our Liquidity Coverage Ratio was very strong at 270% (89% and 255% at December 2024).

Recently, Fitch upgraded the rating of PTSB Group Holdings by one notch to BBB, further cementing the Bank’s investment grade status. Given our strong MREL position, we currently have no plans to issue senior debt in 2025.

**Capital**

The Bank's Common Equity Tier 1 (CET1) ratio at June 2025 remains strong at 15.5% under CRR3 compared with 14.7% at December 2024. This is well above our 2025 regulatory requirement of c. 10.8%.

The increase primarily relates to the application of CRR3 which increased CET1 by c. 1.2% at end June 2025. We previously estimated that CRR3 added c. 0.7% to CET1 on January 1st 2025. Other CET1 movements during the period included profit after tax (+0.2%), AT1 coupons (-0.2%), net loan book growth (-0.2%), intangibles (+0.1%) and other balance sheet movements (-0.2%).

Risk weighted assets (RWAs) reduced from €11.5 billion at end 2024 to €10.9 billion at end June. CRR3 reduced RWAs by €0.9 billion, while underlying growth in RWAs was around €0.3 billion.

The Bank's leverage ratio at end June 2025 was 6.8%, compared with 7.1% at December 2024 and remains very strong for a bank with our level of residential mortgage exposure.

As previously indicated, we are committed to optimising our MREL and capital stack over the coming years given the potential for efficiencies this could generate. Indeed, the Bank has capital instruments with first call dates in Q4 2025 and Q2 2026 and is considering its options in respect of these.

**NEW SUSTAINABILITY STRATEGY**

In Q2, the Bank launched its new Sustainability Strategy 2025-2027 in response to evolving market conditions and to reinforce its commitment to long-term sustainable growth. The new strategy focuses on channelling investment and directing impact towards areas that enhance societal wellbeing. This strategy was announced as the Bank’s Reflecting Business research found that 78% of Irish businesses see the sustainability market as a major growth opportunity to win more customers and increase revenues.

Strong progress is being made in delivering this strategy with €26 million in Impact lending during H1 across key areas such as energy efficiency, healthcare, and access to essential services. Other steps include the development of Science-based targets and a Carbon Reduction Plan which have been submitted to the Science Based Target Initiative for validation, and the issuance of the Bank’s inaugural Sustainability Statement aligned to the CSRD.

**OUTLOOK FOR 2025**

The Bank started the year with a very strong pipeline of Mortgage and Business Banking lending and has benefited from significant growth in deposits. While falling interest rates have reduced our income this year, market conditions in Ireland remain supportive and asset quality remains strong, reflecting robust underwriting criteria over the last decade.

Aside from exceptionals where we expect a charge of €32 million, our guidance for 2025 remains unchanged as do our medium-term financial targets. As previously indicated, the Bank expects to return to making distributions to shareholders next year, subject to financial position and required approvals.

**– Ends –**

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**Note on Forward-Looking Information:**

This announcement contains forward-looking statements, which are subject to risks and uncertainties because they relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Bank or the industry in which it operates, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements referred to in this paragraph speak only as at the date of this announcement. The Bank undertakes no obligation to release publicly any revision or updates to these forward-looking statements to reflect future events, circumstances, unanticipated events, new information or otherwise except as required by law or by any appropriate regulatory authority.

1. CRR3 effective 1 January 2025 – December 2024 comparison is on a CRR2 basis [↑](#footnote-ref-1)
2. Underlying Profit Before Tax is Profit before Exceptional Items and Tax [↑](#footnote-ref-2)
3. Cost Income ratio is calculated as Operating Expenses (excl. all Regulatory Charges and Exceptional Items) divided by Total Income [↑](#footnote-ref-3)
4. BPFI data June 2025 [↑](#footnote-ref-4)
5. Measured over 12 months, based on a static balance sheet at June 2025 and internal pass through assumptions [↑](#footnote-ref-5)
6. Direct channels include Desktop, App and Voice through Open24 [↑](#footnote-ref-6)