

Rating Action: Moody's assigns Ba2 rating to PTSB Group's Tier 2 subordinated capital notes

10 May 2021

London, 10 May 2021 -- Moody's Investors Service ("Moody's") today assigned a (P)Ba2 long-term subordinated ratings to the Euro MTN Programme of Permanent TSB Group Holdings plc (PTSB Group, senior unsecured Ba1 stable), the holding company of Permanent tsb p.l.c. (PTSB, long-term bank deposits Baa2 stable, senior unsecured Baa2 stable, BCA ba1). Furthermore, Moody's assigned a Ba2 rating to the expected issuance of EUR200-250 million subordinated notes under the programme.

The subordinated debt rating is based on the consolidated Advanced Loss Given Failure (LGF) analysis of PTSB Group including the operating company, PTSB. PTSB Group's EUR15 billion Euro MTN Programme, allows the issuance of senior unsecured or subordinated obligations in local and foreign currencies from PTSB Group and PTSB. PTSB Group's long-term senior unsecured programme ratings of (P)Ba1, PTSB's long-term senior unsecured and subordinated programme ratings of (P)Baa2 and (P)Ba2, respectively, are unaffected.

A list of affected ratings can be found at the end of this press release.

RATINGS RATIONALE

Moody's assumes that in a resolution, PTSB Group and PTSB will fall within the same resolution perimeter, as both are domiciled in Ireland. Moody's also assumes that subordinated obligations of the holding company rank pari passu with the operating company's subordinated programme, rated (P)Ba2. This reflects PTSB's Adjusted BCA of ba1 and the agency's expectation of high loss severity for this instrument under its Advanced LGF analysis, due to the limited volume of debt and protection from more subordinated instruments and residual equity.

Moody's therefore assigns (P)Ba2 ratings to the subordinated programme of PTSB Group.

Moody's considers the probability of government support for subordinated obligations to be low, resulting in no additional notching for this class of liabilities.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

PTSB Group's subordinated debt rating is linked to the standalone BCA of PTSB. As such, any change to the BCA would also likely affect these ratings. The subordinated debt ratings could also be upgraded as a result of materially higher than expected amounts issued or issuance of more subordinated instruments protecting debtholders in a resolution scenario.

LIST OF AFFECTED RATINGS

Issuer: Permanent TSB Group Holdings plc

.. Assignments:

... Subordinated Medium-Term Note Program, assigned (P)Ba2

... Subordinated Regular Bond/Debenture, assigned Ba2

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks Methodology published in March 2021 and available at https://www.moodys.com/researchdocumentcontentpage.aspx?docid=PBC_1261354. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections

Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found at: https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_79004.

For ratings issued on a program, series, category/class of debt or security this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series, category/class of debt, security or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the credit rating action on the support provider and in relation to each particular credit rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on www.moody.com.

For any affected securities or rated entities receiving direct credit support from the primary entity(ies) of this credit rating action, and whose ratings may change as a result of this credit rating action, the associated regulatory disclosures will be those of the guarantor entity. Exceptions to this approach exist for the following disclosures, if applicable to jurisdiction: Ancillary Services, Disclosure to rated entity, Disclosure from rated entity.

The ratings have been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website www.moody.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_1263068.

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