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Permanent TSB Group Holdings PLC (Holding Company)

Permanent TSB PLC (Lead Bank)

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Table Of Contents

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*(**Editor's Note:** In the graphic below, the SACP refers to the group SACP.)*

SACP	bb+	+	Support	+1	+	Additional Factors	0

Anchor	bbb	
Business Position	Weak	-2
Capital and Earnings	Strong	+1
Risk Position	Moderate	-1
Funding	Average	0
Liquidity	Adequate	

ALAC Support	+1
GRE Support	0
Group Support	0
Sovereign Support	0

Issuer Credit Rating
BBB-/Stable/A-3
Resolution Counterparty Rating
BBB/--/A-2
Bank Holding Company ICR
BB-/Stable/B

Major Rating Factors

Strengths:	Weaknesses:
• Strong capitalization. • Meaningful position in the Irish mortgage market, with useful current account and savings franchises.	• Narrow reliance on retail banking in a relatively small market. • Weak profitability prospects given the business focus and the low for longer interest rate environment. • Stock of nonperforming loans (NPLs) relative to international peers remains high, but reducing.

Outlook: Stable

Permanent TSB Group Holdings PLC

The stable outlook over our 12 month horizon indicates that our view of the group's intrinsic creditworthiness will remain unchanged. Despite the notable progress we have observed in the group's workout of problematic exposures and its robust capitalization, its reduced scale and weak profitability makes it difficult to change materially in a low interest rate environment.

We are unlikely to raise the ratings over the next 12 months, but we could consider doing so if PTSB shows it can diversify its business profile and proves that its franchise can generate significantly better profitability, compatible with a higher rating. If we revised the group SACP upward, we would likely raise the long-term issuer credit rating on the NOHC by two notches because we only apply a one-notch differential for a NOHC rating from an investment-grade group credit profile.

We could lower the ratings if we see evidence that PTSB's business stability and growth ambitions have faltered. We could also consider lowering the rating if we observe our forecast RAC ratio falling to below 10%. This could occur if a more-aggressive capital policy is pursued, together with higher growth rates than we currently envisage.

Permanent TSB PLC

The stable outlook on the group's primary operating company reflects our view that this entity's stand-alone creditworthiness will remain unchanged over the next 12-24 months. It also incorporates our belief that the NOHC will be able to maintain a buffer of bail-inable instruments comfortably above 6.0% of projected S&P Global Ratings risk-weighted assets (RWAs) over the next 24 months. That said, even if the additional loss-absorbing capacity (ALAC) buffer were above 10% of projected S&P Global Ratings RWAs, a positive rating action would depend on the bank resolving its lack of business diversity and weak profitability prospects.

We could lower the rating on the operating company if the ALAC buffer protecting senior creditors was predicted to fall below 6.0% of our RWAs over the outlook horizon. This could occur if capital distribution were to resume or the NOHC was unable to issue the planned MREL instruments.

We could also take rating actions in line with revisions to the group SACP, as explained above.

Rationale

Given PTSB's domestic focus, the starting point for our ratings reflects our view of the Irish banking system. We consider that PTSB has a meaningful franchise in Irish retail banking, but that its lack of business diversity and franchise depth weakens its business position compared with market-leading peers AIB Group PLC (AIB) and Bank of Ireland Group PLC (BOI). Other constraints on the group's creditworthiness continue to be its weak profitability and the difficulty the bank will face, particular in the low-rate environment, in transforming its existing franchise into something that can deliver more-meaningful returns.

The group plans to expand into small and midsize enterprise (SME) business, deepen its penetration in the retail segment, and at the same time keep up with changing customer preferences by investing in digital solutions. The success of this strategy largely depends on management's ability to shift its attention to the commercial agenda, after many years of focusing on strengthening its balance sheet and working through legacy problematic assets.

We consider that PTSB has strong capitalization, reflected in a risk-adjusted capital (RAC) ratio of about 13% over the next two years (up from 11.21% at end-December 2018 due to a significant reduction in RWAs on the back of an NPL portfolios sale and securitization).

PTSB's funding and liquidity profile is broadly comparable with domestic peers', reflecting significant improvements in the loan-to-deposit ratio and S&P Global Ratings' funding and liquidity ratios, supported by deleveraging.

Anchor:'bbb' for a commercial bank operating in Ireland

We view the economic risk trend in Ireland as stable. This reflects our assumption that Ireland's GDP growth, while moderating, will remain higher than the eurozone average. This, along with low unemployment and continued, albeit slowing, property price appreciation should help make banks' balance sheets more resilient. There has been a significant balance sheet clean up over the last couple of years, but we think domestic banks remain vulnerable to potential imbalances. The pursuit of growth, as well as increasing competition, among banks and non-bank financial institutions could not only affects margins but also increase the sector's risk appetite. Moreover, banks in Ireland are exposed to macroeconomic uncertainties linked to post-Brexit trade agreement negotiations between the U.K. and the EU.

The industry risk trend is also stable. We assume that deposits to loans (according to our calculations) will remain sustainably above 75%because we expect loan books to expand very slowly. Despite good access to capital markets seen in 2019, and our belief that domestic banks will keep building up loss absorption capacity with planned issuance of bail-inable instruments, we see the operating environment for Irish financial institutions as still challenging. In addition to the difficulties posed by "lower for longer" interest rates, banks in Ireland also face domestic growth and transformation headwinds (including high cost structures and digital investments) that could weigh on their ability to achieve profitability targets. Finally, we also assume that the government's longstanding stakes in a large part of the banking system will only reduce to zero in the coming decade.

Table 1

Permanent TSB Group Holdings PLC--Key Figures

	--Year-ended Dec. 31--					
(Mil. €)	**2019***	**2018**	**2017**	**2016**	**2015**	**2014**
Adjusted assets	20,433.0	21,769.0	22,734.0	23,567.0	29,284.0	36,225.0
Customer loans (gross)	16,827.0	16,916.0	20,616.0	21,368.0	25,718.0	30,928.0
Adjusted common equity	1,409.0	1,401.0	1,511.0	1,488.0	1,709.0	1,723.0
Operating revenues	210.0	442.0	444.0	434.0	380.7	315.8
Noninterest expenses	163.0	351.0	330.0	335.0	322.0	394.0
Core earnings	31.5	74.0	50.0	127.0	32.7	(90.2)

*Data as of June 30. Source: S&P Global Ratings.

Business position: Less diversified than larger Irish peers

We base our assessment of PTSB's business position on its lack of business diversity and weak profitability vis-à-vis industry-leading peers, AIB and BOI, as well as the difficulty PTSB will face, particularly in the low-rate environment, leveraging on its existing franchise in Irish retail banking to deliver more-meaningful returns.

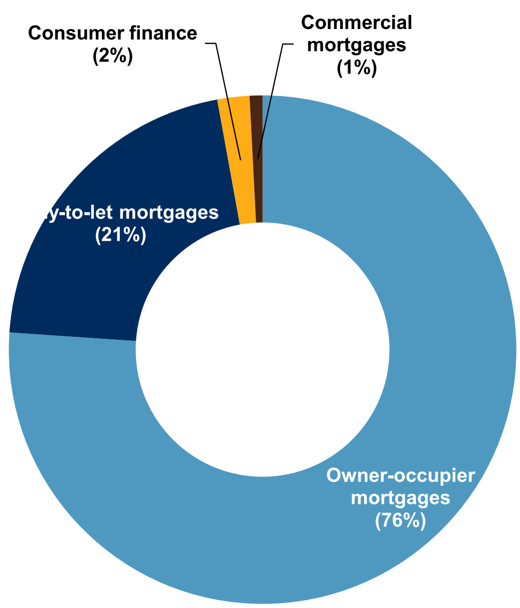
Other than AIB and BOI, PTSB's main rated Irish banking industry peers include foreign-owned banks Ulster Bank Ireland DAC and KBC Bank Ireland PLC. Peers outside Ireland include Portugal-based Banco Comercial Portugues S.A. (group SACP is 'bb'), Spain-based Ibercaja Banco S.A. ('bb+'), Kutxabank S.A. ('bbb'), and Abanca Corporation Bancaria S.A. ('bb+'). These banks have somewhat similar business models to PTSB and operate in systems that have similar economic and industry risks to Ireland.

Indicative of our view of the differential versus peers, PTSB relies on net interest income, which we estimate will average 88% of revenues over the three years to 2020; this compares with our estimate of about 75% at AIB, BOI, and Ulster Bank, and close to 60% across the international peers.

PTSB's retail franchise is quite substantial with a sizable 15%-20% share of the outstanding Irish mortgage stock (market share of gross new lending in 2017 was 12.6% improving to a reported 14.7% through first-half 2019). It also has a useful market share of Irish retail deposits and current accounts. We consider that further market share growth may be more difficult as the mortgage market in Ireland is very competitive. PTSB's current market position in other retail lending products and lending to businesses is small because the loan portfolio is dominated by mortgages (see chart 1).

Chart 1

Reported Net Loans As Of June 30, 2019 (€15.75 billion)



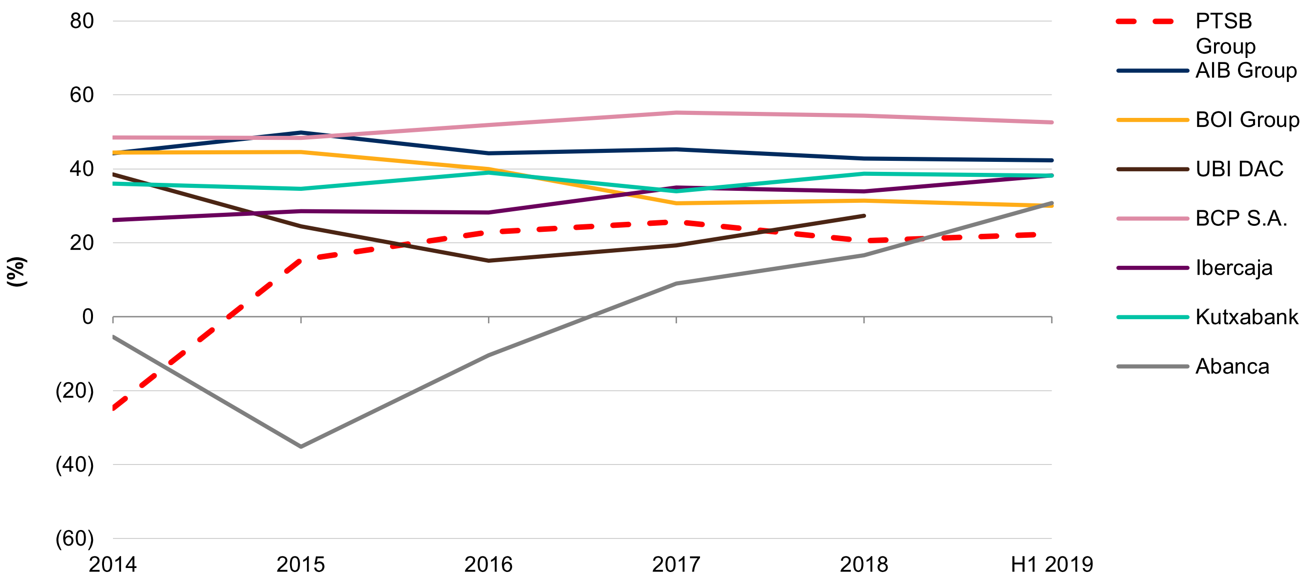
Note: Includes assets held for sale and other assets pending derecognition at balance-sheet date.

The group hopes to expand into SME business and deepen its penetration in the retail segment, beyond mortgage offering. It also aims to keep up with changing customer preferences by investing in digital solutions. The success of this strategy largely depends on management's ability to shift its attention to the commercial agenda, after many years of focusing on strengthening its balance sheet and working through the bank's legacy problematic assets.

In our view, the bank has a long way to go before its efforts turn into revenue. We estimate that preprovision income to revenues will average about 17% for the next two years. By contrast, we estimate this ratio will be 35%-40% for AIB and Bank of Ireland, and 40%-50% for PTSB's international peers, over the same period. We also forecast that the return on tangible equity will not increase beyond 3% any time soon.

Chart 2

Stagnating Profitability: PTSB Versus Selected Peers
Preprovision operating income/operating revenues (%)



Source: S&P Global Ratings.

The Irish government owns about 75% of PTSB's ordinary shares. We believe that the government is unlikely to reduce its stake further in the near term, and that the process to return the bank to full private ownership will take several years.

Capital and earnings: Absence of capital distributions supports our assessment

We view PTSB's capital and earnings as a positive rating factor. We forecast a RAC ratio of 12.9%-13.3% through end-2021, up from 11.2% at end-2018, due to the group's balance sheet clean-up and subsequent reduction of its RWAs.

We base our forecast on the following key assumptions over 2020-2021:

- Almost flat loan portfolio growth of at most 1.5%-2.0% per year;
- A slightly reducing net interest margin on the back of planned MREL issuance;
- An insignificant decrease of 2%-4% in noninterest expenses due to cost-reduction initiatives;
- Modest effects from new loan loss provisions;
- Pre-provision income to remain around €70 million-€80 million and return on equity will be below 3%;
- S&P Global Ratings' RWAs to be about €12 billion; and
- No dividend distribution through the projection period. However, we do not exclude that capital distribution could be discussed in one or two years. Any future capital distribution would necessitate the bank reducing its nonperforming exposures (NPE) ratio closer to the European average and maintaining its excess of capital due to the slow pace of growth.

We expect PTSB's regulatory fully loaded CET 1 ratio to be just below 15% at end-2019, up from a reported 14.4% as of mid-2019. The improvement was driven mostly by positive effects from the sale of NPE portfolios in the second half of the year for €0.5 billion (gross amount). The group's leverage ratio at mid-2019 stood at a comfortable level (7.7%).

We consider PTSB's quality of capital to be relatively solid because 92% of the capital base comprised common equity as of mid-2019. We include the €122 million of AT1 securities in our calculation of TAC. They receive intermediate equity credit because they are perpetual instruments with loss-absorption features on a going-concern basis, giving the bank the ability to suspend coupons at any time.

However, while we consider that PTSB's earnings profile should now be more predictable than before, we note that its earnings buffer remains negative. This indicates the inability of underlying pre-provision earnings to cover our estimate of through-the-cycle normalized losses (€128 million in 2018, as per our RAC framework). We incorporate the negative earnings buffer into our RAC projection by subtracting the deficiency from TAC.

Table 2

Permanent TSB Group Holdings PLC--Capital And Earnings

	--Year ended Dec. 31--					
(%)	**2019***	**2018**	**2017**	**2016**	**2015**	**2014**
Tier 1 capital ratio	15.2	13.0	15.5	15.7	16.0	14.2
S&P Global Ratings' RAC ratio before diversification	N/A	11.2	12.2	9.6	10.2	7.8
S&P Global Ratings' RAC ratio after diversification	N/A	7.9	8.1	6.4	7.5	6.5
Adjusted common equity/total adjusted capital	92.0	92.0	92.5	92.4	93.3	100.0
Net interest income/operating revenues	86.2	85.7	91.2	89.9	90.4	85.5
Fee income/operating revenues	8.1	8.8	8.8	9.0	10.2	11.7
Market-sensitive income/operating revenues	1.4	2.3	(0.7)	0.7	(1.1)	1.6
Noninterest expenses/operating revenues	77.6	79.4	74.3	77.2	84.6	124.8
Preprovision operating income/average assets	0.4	0.4	0.5	0.4	0.2	(0.2)
Core earnings/average managed assets	0.3	0.3	0.2	0.4	0.1	(0.2)

*Data as of June 30. N/A--Not applicable. Source: S&P Global Ratings database.

Table 3

Permanent TSB Group Holdings PLC--Risk-Adjusted Capital Framework Data

(Mil. €)	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government and central banks	3,162.0	75.0	2.4	122.5	3.9
Of which regional governments and local authorities	0.0	0.0	0.0	0.0	0.0
Institutions and CCPs	976.0	275.0	28.2	276.6	28.3
Corporate	198.0	200.0	101.0	202.1	102.1
Retail	17,697.0	8,500.0	48.0	8,997.3	50.8
Of which mortgage	16,763.0	8,150.0	48.6	7,832.1	46.7
Securitization§	44.0	550.0	1,250.0	8.8	20.0
Other assets†	1,985.0	1,537.5	77.5	3,052.8	153.8
Total credit risk	24,062.0	11,137.5	46.3	12,660.1	52.6
Credit valuation adjustment					
Total credit valuation adjustment	--	100.0	--	0.0	--
Market risk					
Equity in the banking book	13.0	37.5	288.5	97.5	750.0
Trading book market risk	--	0.0	--	0.0	--
Total market risk	--	37.5	--	97.5	--
Operational risk					
Total operational risk	--	662.5	--	832.5	--
(Mil. €)		**Basel III RWA**		**S&P Global Ratings RWA**	**% of S&P Global Ratings RWA**
Diversification adjustments					
RWA before diversification	--	11,962.5	--	13,590.1	100.0
Total diversification/concentration adjustments	--	--	--	5,807.4	42.7
RWA after diversification	--	11,962.5	--	19,397.5	142.7
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		1,551.0	13.0	1,523.0	11.2
Capital ratio after adjustments‡		1,551.0	12.9	1,523.0	7.9

*Exposure at default. §Securitization exposure includes the securitization tranches deducted from capital in the regulatory framework. †Other assets includes deferred tax assets (DTAs) not deducted from ACE. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g., transitional floor or Pillar 2 add-ons). RAC--Risk-adjusted capital. RW--Risk weight. RWA--Risk-weighted assets. Sources: Company data as of Dec. 31, 2018, S&P Global Ratings.

Risk position: Proactive progress on NPL reduction

We compare PTSB's risk position with the same peers as for its business position, because these peers have a generally similar product mix to PTSB and operate in banking systems with broadly the same economic risk as Ireland. PTSB has made significant progress in NPL reduction but its asset quality is still weaker than that of higher-rated peers with a residential mortgage book bias.

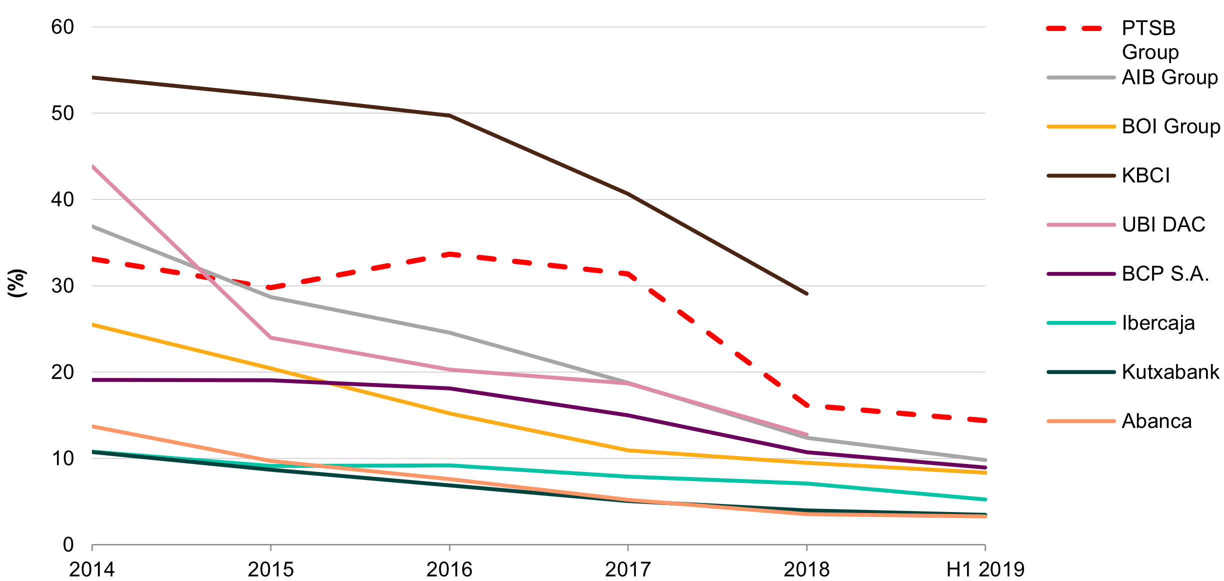
Irish mortgages dominate PTSB's net loan book. As of June 30, 2019, they accounted for 98% of total lending. We note that buy-to-let (BTL) loans, which we consider generally perform weaker, represented 24% of the gross loan portfolio. However, we note that the vintage profiles of BTLs and other mortgages show some improvements over the last year.

We estimate the bank's regulatory NPE ratio as of end-2019 at just below 7% (improved from 10% as of mid-2019 because of the NPL portfolio sale). This figure is slightly higher than that for BOI (estimate of 4.9%) and AIB (estimate of 5.9%). We understand that the European Central Bank (ECB) has encouraged Irish banks to reduce this measure to about 5% and we expect PTSB to reach this level over 2020. We foresee a slower pace in PTSB's asset quality improvement because we envisage NPL recovery happening through redemptions and repayments rather than through the sale of portfolios.

Broader NPL ratio (under our definition) is estimated at just below €2.0 billion or a high 12% of total gross loans (compared to €2.5 billion or 14.4% as of mid-2019) with expected credit loss allowance coverage of these loans of about 40%. The NPL ratio includes stage 3 loans, impaired loans at the time of purchase, and restructured/forborne loans not captured in stage 3 loans. These metrics are weaker than those for AIB and BOI for the same date.

Chart 3

Asset Quality Metrics Versus Peers
Nonperforming assets (%) *



Source: S&P Global Ratings. *The NPA ratio includes stage 3 loans, impaired loans at the time of purchase, and restructured/forborne loans not captured in stage 3 loans.

Our risk analysis also captures potential nonfinancial vulnerabilities and opportunities, as part of our assessment of environmental, social, and governance (ESG) factors. Overall, we believe that ESG factors for PTSB are in line with those of the industry and domestic peers. We view consumer protection and conduct matters as social risks in our assessment.. We note that the enforcement investigation in respect of tracker mortgages at PTSB concluded in first-half 2019 with a fine of €21 million. The charge reflected the regulator's view that the bank may have overcharged certain customers for tracker mortgages. It comes on top of a redress of about €54 million that PTSB has already paid its tracker mortgage customers as part of the CBI's investigation.

Even though the fine ended the CBI's investigation into PTSB we believe that the regulator, as well as the bank's customers, remain focused on consumer protection and conduct matters. These are serious topics in Ireland where the banking sector suffered acute stress and received state support a decade ago. Regulators and citizens are less inclined to tolerate behaviors than they were a decade ago.

Given the nature of PTSB's loan exposure, mainly mortgage loans, the group is not exposed to carbon-intensive industries like large diversified lenders are. Still, we believe that measuring the carbon footprint of mortgage portfolios will gain importance, with an incentive for banks in Europe to closely manage evolving environmental regulations.

Table 4

Permanent TSB Group Holdings PLC--Risk Position

	--Year ended Dec. 31--					
(%)	**2019***	**2018**	**2017**	**2016**	**2015**	**2014**
Growth in customer loans	(1.1)	(17.9)	(3.5)	(16.9)	(16.8)	(7.2)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	42.7	50.9	50.1	35.4	19.9
Total managed assets/adjusted common equity (x)	14.8	18.0	15.7	18.7	21.6	26.2
New loan loss provisions/average customer loans	0.1	0.1	0.2	(0.3)	0.1	(0.1)
Net charge-offs/average customer loans	0.2	0.2	0.3	0.5	0.4	0.5
Gross nonperforming assets§/customer loans + other real estate owned	14.4	16.1	31.4	33.7	29.8	33.1
Loan loss reserves/gross nonperforming assets§	41.9	37.4	34.7	34.5	35.1	36.4

*Data as of June 30. §IAS39: impaired loans plus 90 days past due loans and renegotiated loans. N/A--Not applicable. Source: S&P Global Ratings database.

Funding and liquidity: Balanced profile

We regard PTSB's funding as average and its liquidity position as adequate. We primarily compare funding with the domestic industry average, while liquidity is an absolute assessment.

PTSB's funding profile has improved substantially over the past few years. This has been supported by lower funding needs due to deleveraging--as redemptions continue to exceed new lending--and the sale of noncore assets. Current account and deposit balances have also been resilient. We note that the share of deposits now represents a high 95% of the funding base, and that current accounts represent a useful 26% of customer deposits.

Accordingly, by our calculations, PTSB's loan-to-deposit ratio improved to 91% at June 30, 2019, from 105% at mid-2018 and more than 200% at end-2011. PTSB's improved funding profile is also evident from its stronger S&P Global Ratings stable funding ratio, which increased to 116% at June 30, 2019, from 108% at mid-2017 and 46% at end-2011. As of end-June 2019, PTSB reported adequate LCR (186%) and NSFR (133%) ratios.

Our adequate liquidity assessment reflects PTSB's improved liquidity position due to a significant reduction in ECB funding and deposits from other financial institutions. ECB funding was nil at June 30, 2019 after reducing significantly to €230 million at June 30, 2018 (€1.4 billion at end-2016).

Our metric of broad liquid assets to short-term wholesale funding stood at an unusually high 15x as of June 30, 2019 (1.8x at mid-2018). This reflects the relative absence of wholesale funding given PTSB's multi-year deleveraging. The group also regained its access to capital markets as it issued its first MREL instrument for €300 million in September 2019.

Table 5

Permanent TSB Group Holdings PLC--Funding And Liquidity

	--Year ended Dec. 31--					
(%)	**2019***	**2018**	**2017**	**2016**	**2015**	**2014**
Core deposits/funding base	94.9	86.5	82.9	80.0	67.0	55.6
Customer loans (net)/customer deposits	91.0	93.3	108.1	111.2	130.5	146.8
Long-term funding ratio	99.0	92.8	91.5	89.5	73.2	63.7
Stable funding ratio	115.6	101.6	106.4	104.3	86.1	76.4
Short-term wholesale funding/funding base	1.1	7.9	9.4	11.5	29.2	38.7
Broad liquid assets/short-term wholesale funding (x)	15.3	1.5	1.8	1.5	0.7	0.5
Net broad liquid assets/short-term customer deposits	19.7	4.8	9.8	8.9	(14.2)	(33.2)
Short-term wholesale funding/total wholesale funding	19.5	56.0	53.3	55.8	87.2	87.2
Narrow liquid assets/3-month wholesale funding (x)	15.2	3.0	2.6	1.5	0.9	1.0

*Data as of June 30. Source: S&P Global Ratings database.

Table 6

Pro forma of ALAC Calculation, Estimation As Of Dec. 31, 2019

		€ mil	**% of S&P Global Ratings' RWAs**
A	Adjusted common equity*	1393	
B	Hybrids in TAC	122	
C (=A+B)	Total adjusted capital*	1515	12.89%
D	TAC in excess of our 10% threshold*	340	2.89%
E	ALAC-elegible instruments	303	
	of which NOHC senior	300	
	of which dated subordinated	0	
	of which minimal equity content hybrids	0	
	of which other	3	
F (=D+E)	ALAC buffer*	648	5.51%
	S&P RWA*	11750	

*Source: S&P Global Ratings db., estimate

Support: Our ALAC measure is rising as PTSB executes its issuance plan

We view the Irish resolution regime as effective under our ALAC criteria because it contains a well-defined bail-in process under which authorities would permit nonviable systemically important banks to continue critical functions as going concerns following a bail-in of eligible liabilities.

Despite the group's small size but retail franchise, the resolution authority has said it would go through a bail-in resolution regime. In September 2019, the NOHC issued its first €300 million of MREL-compliant senior nonpreferred notes. On a pro forma basis, our ALAC ratio has improved to 5.5% from 1.2% at year-end 2018.

Management has plans for further issuances in 2020 to meet its MREL requirement by the January 2021 deadline. We incorporate these plans into our forecast and envisage this metric will improve further, remaining sustainably above our 6% threshold to qualify for one notch of uplift in the ratings on the main operating bank. Given the concentration of maturities, we apply a higher threshold to PTSB than our standard 5.0%. We anticipate that its buffer will consist of only a limited number of instruments, combined with excess capital over our 10% RAC threshold for strong capital.

We do not incorporate notches for ALAC support in our ratings on Permanent TSB Group Holdings PLC, the group's NOHC, as the build-up of bail-in buffers only benefits the creditors of the operating entity. As a result, the ratings on NOHC remain two notches below the 'bb+' group SACP.

Additional rating factors: None

No other factors affect the ratings.

Resolution counterparty ratings

We set the BBB/--/A-2 resolution counterparty ratings (RCRs) on Permanent TSB PLC two notches above the long-term issuer credit rating, rather than the typical one notch, reflecting the speculative-grade issuer credit rating. The RCRs also reflect our jurisdiction assessment for Ireland.

An RCR is a forward-looking opinion of the relative default risk of certain senior liabilities that may be protected from default through an effective bail-in resolution process for the issuing financial institutions. RCRs apply to issuers in jurisdictions where we assess the resolution regime to be effective and we consider the issuer likely to be subject to a resolution that entails a bail-in if it reaches nonviability.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013

- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research

- Ireland-Based Permanent TSB PLC Upgraded To 'BBB-'; Holding Company Affirmed At 'BB-'; Outlook Stable, Dec. 4, 2019

Anchor Matrix

Industry Risk	Economic Risk									
	1	2	3	**4**	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	**bbb**	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of January 31, 2020)*

Permanent TSB Group Holdings PLC	
Issuer Credit Rating	BB-/Stable/B
Senior Unsecured	BB-
Senior Unsecured	BBB-/A-3
Short-Term Debt	A-3
Issuer Credit Ratings History	
17-Dec-2018	BB-/Stable/B
03-Aug-2017	B+/Positive/B
13-Jan-2017	B+/Stable/B
21-Dec-2016	B/Stable/B
Sovereign Rating	
Ireland	AA-/Stable/A-1+
Related Entities	
Permanent TSB PLC	
Issuer Credit Rating	BBB-/Stable/A-3
Resolution Counterparty Rating	BBB/--/A-2

Ratings Detail (As Of January 31, 2020)*(cont.)	
Senior Unsecured	BB-
Senior Unsecured	BBB-
Senior Unsecured	BBB-/A-3
Short-Term Debt	A-3

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.