

INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2017

Forward Looking Statements

This document contains certain forward-looking statements with respect to certain of the Permanent TSB Group Holdings plc's (the 'Bank') intentions, beliefs, current goals and expectations concerning, among other things, the Bank's results of operations, financial condition, performance, liquidity, prospects, growth, strategies, the banking industry and future capital requirements.

The words "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 of these 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 Bank's present and future business strategies and the environment in which the Bank 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 Bank 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 Bank'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 Bank operates or in economic or technological trends or conditions.

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 Bank expressly disclaims any obligation or undertaking to release any updates or revisions to these forward-looking statements to reflect any change in the Bank'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.

www.permanenttsbgroup.ie/investor-relations

Agenda

Strategy and Business

Jeremy Masding
Chief Executive Officer

3

Financial Performance

Eamonn Crowley
Chief Financial Officer

17

Financial Highlights

Rebuilding Sustainable Profitability

- Profitable in H1 17

PBT¹

€53m

- Strong Growth in Pre-Impairment Profit

Pre-Impairment Profit²

+18% (€12m) YoY

- Steady Growth Of Core Income

NIM

+38bps YoY to 1.81%

NII³

+2% (€3m) YoY

- Ongoing Cost Management

Operating Expenses³

+1% (€2m) YoY

- Low Impairment Charge

Cost of Risk

0.06% (€6m)

- Organic Capital Generation

CET1⁴

15.0% (+10 bps)

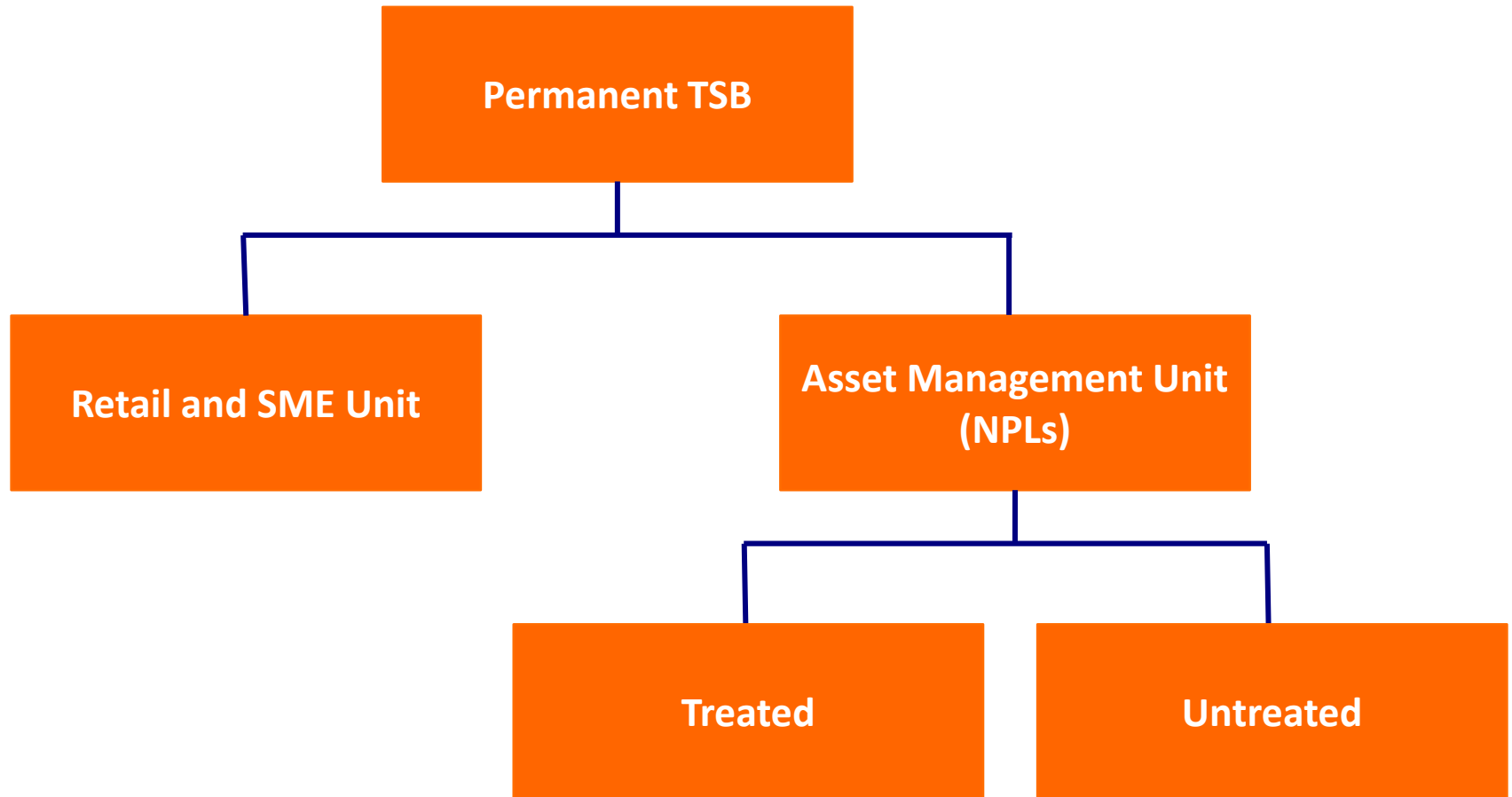
1. Profit Before Tax Excludes Exceptional Items of €10m

2. Excludes one-off gain from Visa Share Sale Gain of €29m in H1 2016 and Pre-Impairment Loss of €22m from Non-Core for H1 2016

3. On An Underlying Basis excluding Non-Core

4. On A Fully Loaded Basis

Operational Construct



Retail and SME Unit

Strategy

Clear Strategy Focused On Maximising Shareholder Value Over Time

Vision

**To Be The Bank Of Choice For What We Do And How We Do It
– Trusted, Valued and Principled**

Core Capabilities

**Relationship
Driven Customer
Experience**

**Omni-Channel
Offering**

**People and
Culture**

**Risk
Awareness**

**Operational
Excellence**

Strategic Priorities

Profitable Growth

**Operational Effectiveness
And Efficiency**

**Value And
Values Based Culture**

Targeted Outcomes

**Strong Customer
Franchise**

**Focused And Low Risk
Business Model**

**Sustainable Profitability
And Capital Generation**

Domestically Focused Retail And SME Bank

Important Part Of Ireland's Banking Landscape

Business

Gross Loan Book

€21.0bn

Current Account Balances

€3.5bn

Irish Retail Deposit Balances

€10.4bn

Market Share

Residential Mortgage Balances¹

17%

Current Account Balances²

13%

Retail Deposit Balances²

11%

Active Credit Cards³

9%

77 Branches

Omni-Channel Offering



1m+ Customers

2.5k Employees⁴

Business Highlights

61% Growth In Total New Lending YoY

Current Accounts and Customer Deposits

Current Account Balances	€3.5bn	5% ¹ ↑
Retail Deposit Balances ²	€10.4bn	2% ¹ ↑
Loan To Deposit Ratio	110%	1% ¹ ↓

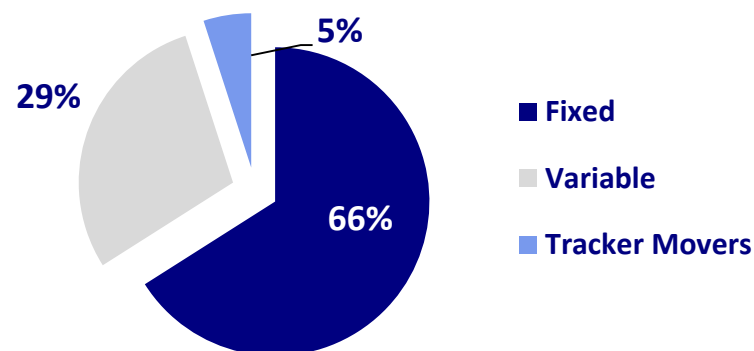
New Customer Lending YTD

Mortgage Lending	€341m	62% ↑
Term Lending	€43m	59% ↑
SME Lending	€8m	138% ↑

Mortgage Market Share³ YTD

Applications	14.0%	↑
Approvals	10.9%	↑
Drawdowns	10.8%	↑

New Mortgage Lending YTD



Customer Activity

Strong Customer Acquisition and Activity

Customer Base

+23% YoY (21k)
**New Personal and
SME Current Accounts**



+ 7% YoY (559k)
Digital Customers



Customer Activity

+6% YoY (817k)
**Active
Customers¹**



+5% YoY (490k)
**Active Current
Account Customers²**



+12% YoY (60m)
**Payment Card
Transactions #**



+12 Net Promoter Score³ (+5 YoY)

Omni-Channel Offering

Continuing To Extend Our Customer Reach

Branch



**Significant Investment
In Branch
Evolution Programme**

**Branch Management
Model Refreshed
(‘Network 2020’)**

Digital



**25% Of New Term
Lending
Drawdowns YTD
Via Digital Channel**

**Fastest Growing
Customer Touch Point**

Voice



**28% YoY Increase
in the Number of
Customer Calls
Handled**

**Investing In Advanced
Interactive Voice
Capabilities**

Intermediaries



**Successful Partnership
With
c.150 Active Brokers**

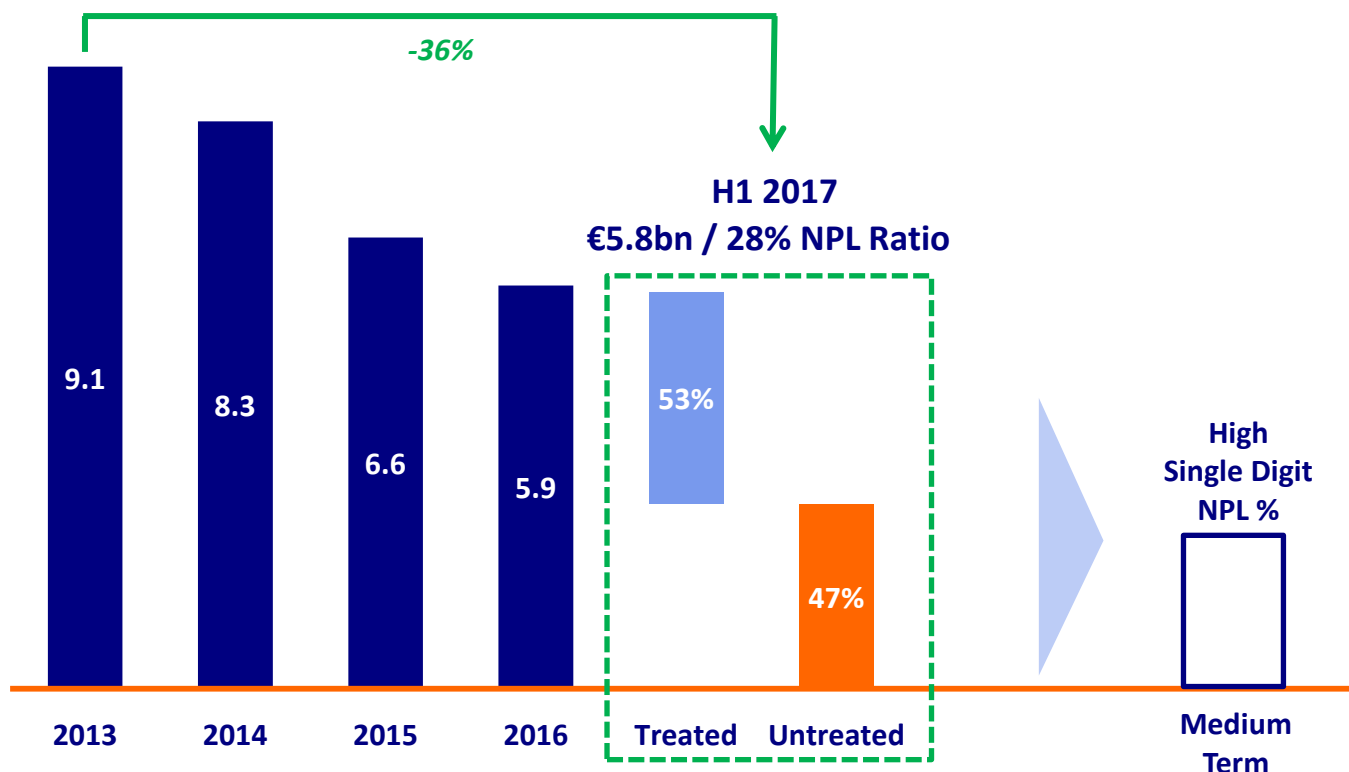
**Established and
Proven Operating
Model**

Asset Management Unit (NPLs)

NPL Strategy

Scale Restructuring Phase Now Concluded

Evolution of Forbearance Strategy (€bn)

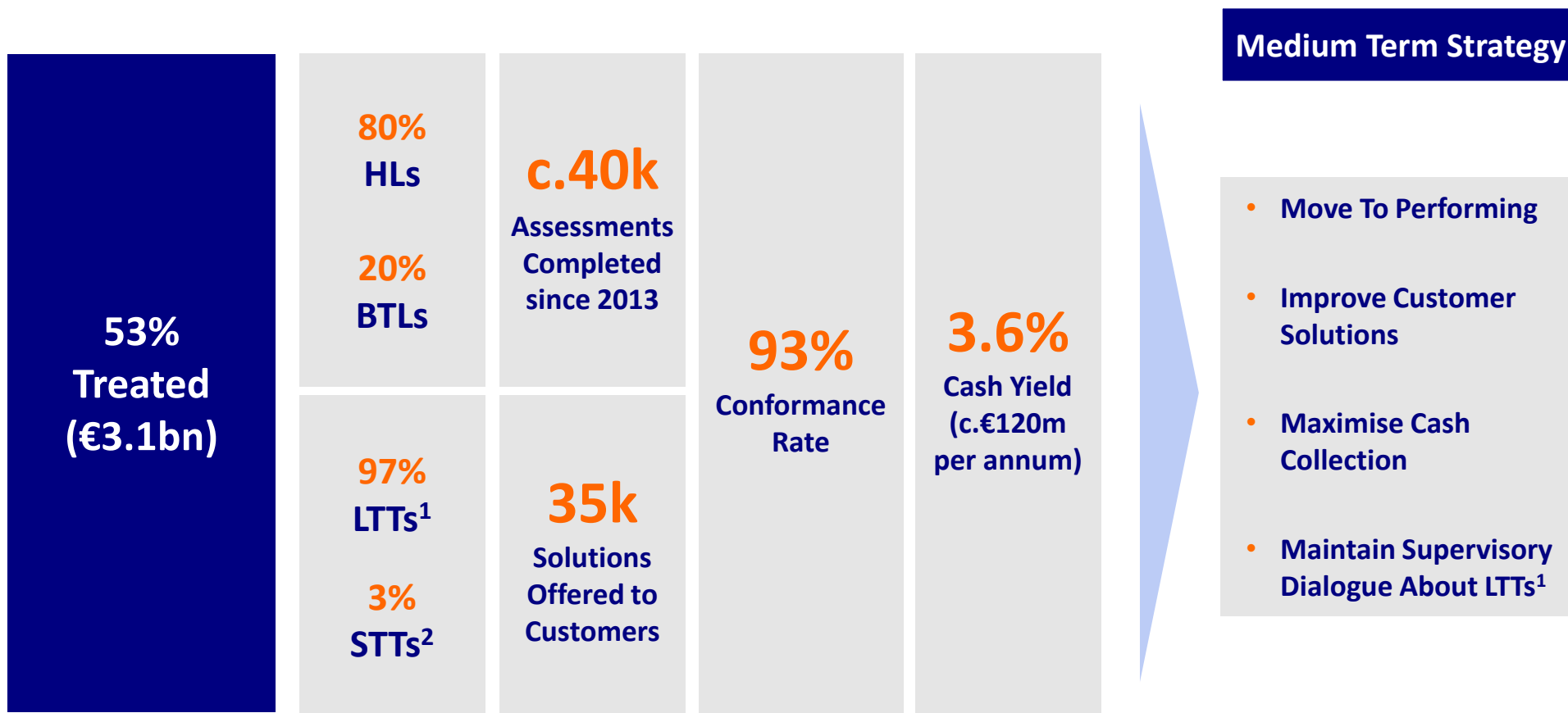


Targeted NPL Reduction

- NPLs Have Reduced by 36% since 2013 through Cures, Charge Offs and Disposals
- 53% of NPLs Have Been Restructured On A Case By Case Basis
- Now Targeting Accelerated Reduction In NPLs – High Single Digit Over The Medium Term

Treated NPLs

Successful Strategy Of Keeping Customers In Their Homes And Maximising Value For The Bank

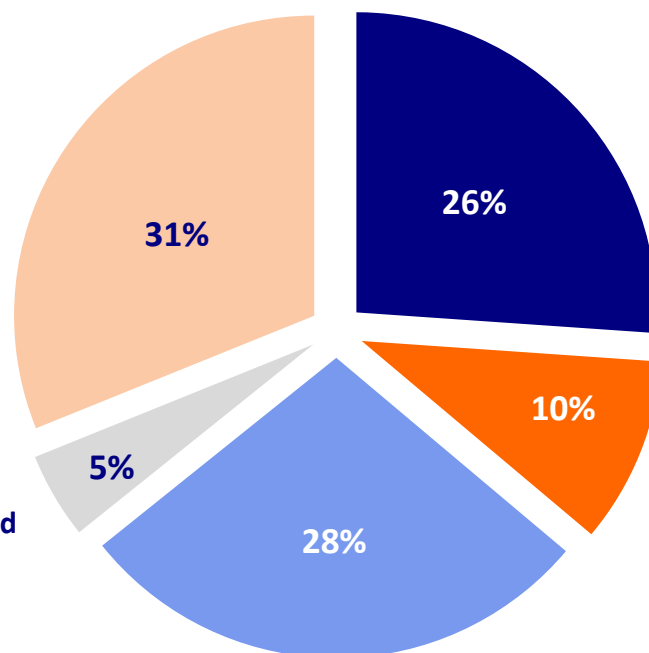


Untreated NPLs

Targeting Accelerated Reduction

47%
Untreated
(€2.7bn)

- Closures
- Technically Held
- Trending To Closure
- CRE And Unsecured
- In Assessment
- 61% HLs
- 34% BTLs
- 5% CRE and Unsecured



Medium Term Strategy

- Target Accelerated Reduction via
- Mortgage To Rent
- Customer Solutions e.g. Assisted Voluntary Sales
- Asset Sales
- Foreclosure
- Minimise Capital Impact

Summary And Outlook

Summary And Outlook

Well Positioned For Profitable Growth

- **Building sustainable financial performance**
- **Growing with a supportive Irish macro-economic background**
- **Developing strong business momentum via omni-channel approach**
- **Executing ambitious NPL reduction target**
- **Embedding strong Management Team**

Financial Performance

Eamonn Crowley
Chief Financial Officer

Income Statement

Pre-Impairment Profit +18%

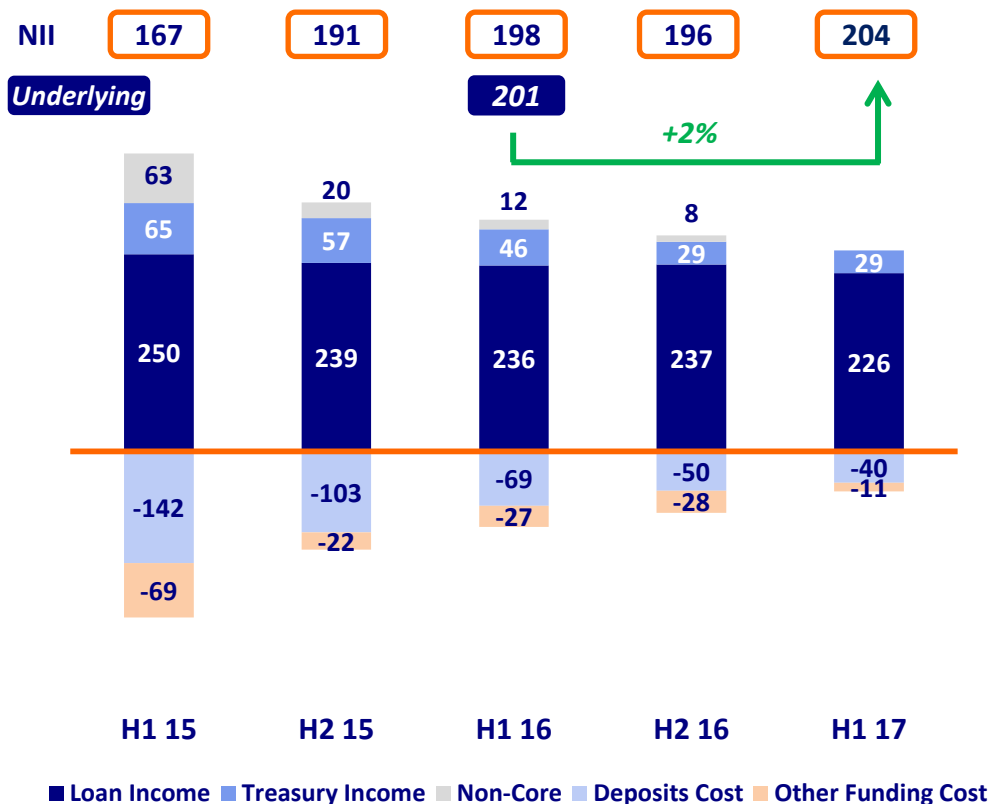
€m	H1 17	H1 16	H1 16 (Underlying ¹)	YoY (Vs. Underlying)	
Net Interest Income (NII)	204	198	201 ²	+3	+2%
ELG Fees	(1)	(3)	(3)	+2	+67%
Non-Interest Income	18	38	9	+9	+100%
Operating Income	221	233	207	+14	+7%
Operating Expenses	(144)	(152)	(142)	+2	-1%
Pre-Impairment Profit	77	81	65	+12	+18%
Regulatory Charges	(18)	(25)	(25)	+7	-28%
Impairment (Charge) / Write-Back	(6)	61	84 ²	-	-
Profit Before Exceptional Items & Tax	53	117	124	-72	-57%
Exceptional Items (Net)	(10)	(9)	(14)		
Profit Before Tax	43	108	110		

H1 17 Vs H1 16 Underlying
2% growth in NII mainly due to reduction in Cost of Funds partly offset by lower Treasury Income
Underlying F&C Income flat YoY
Operating Expenses broadly flat YoY
Regulatory Charges include contribution for DGS €7m and BRRD €11m. FY17 expected to be c.€55m
Low Impairment Charge; H1 16 included Write-Backs Of €35m from HPI
Exceptional Items primarily relate to Restructuring Costs
Rebuilding Profitability following exit from Non-Core Deleveraging and progressing towards Performing Loan Book Growth

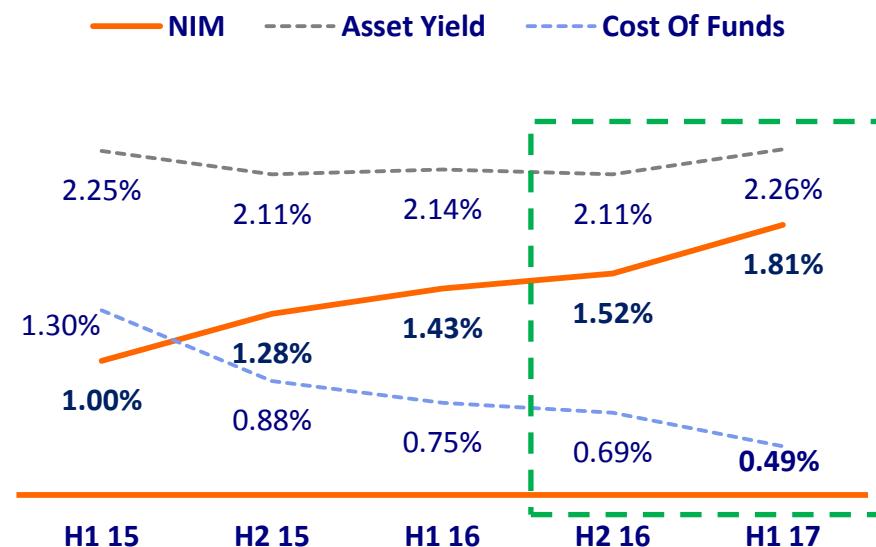
Net Interest Income and NIM

NIM +38bps YoY to 1.81%

Net Interest Income (€m)



NIM Analysis



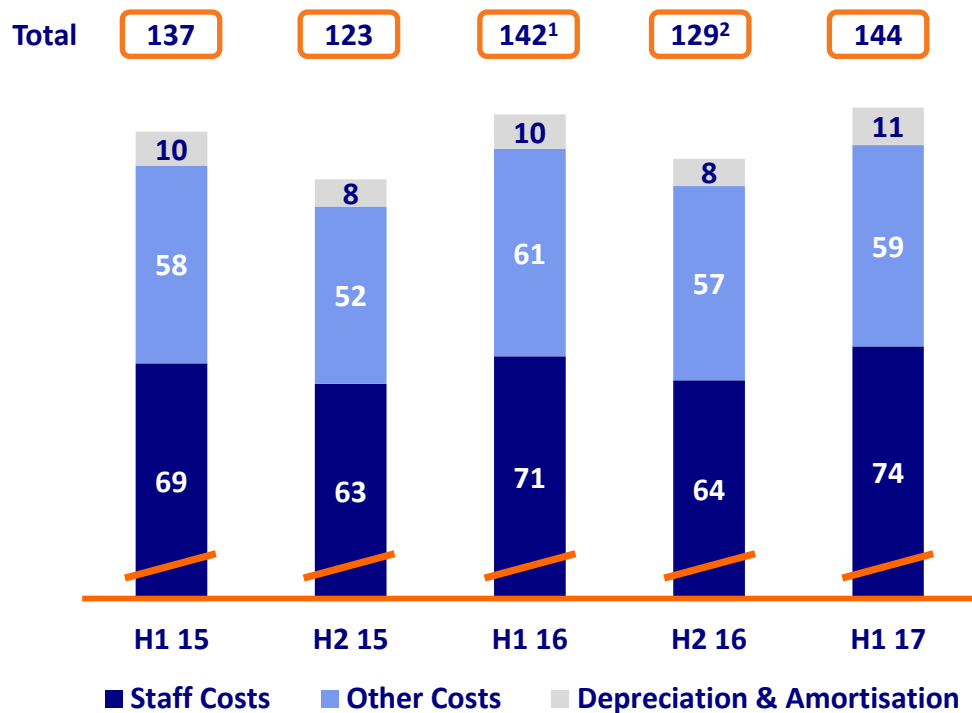
- Underlying NII increased by 2% benefiting from reduction in Funding Cost which is partially offset by lower Treasury Income
- NIM growth primarily driven by reduction in Deposit Costs and deleveraging of Non-Core

1. Interest Income from Impaired Loans of €9m (H2 2016: €10m) reclassified to Impairment (Charge)/Write-Back for like-for-like comparison. These numbers include Net Interest Expenses of €12m (H2 2016: €4m Net Interest Income) from Non-Core Segment.

Operating Expenses

Operating Expenses Broadly Flat YoY

Operating Expenses (€m)



€m	H1 17	H1 16 ¹ (underlying)	YoY	YoY %
Staff Costs	75	71	+4	+6%
Other Costs	58	61	-3	-5%
Depreciation & Amortisation	11	10	+1	+10%
Operating Expenses	144	142	+2	+1%

Average No. Staff	2,441	2,340	+101
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Underlying ³ Cost Income Ratio	65%	69%	-4ppts
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- Increase in Staff Costs reflects Pay Modernisation Programme and increase in Average Staff Numbers
- Increase in Average Staff Numbers reflecting investment in Regulatory and Control Functions
- Reduction in Other Costs due to lower one-off project spend in 2017

Impairment and Provision Coverage

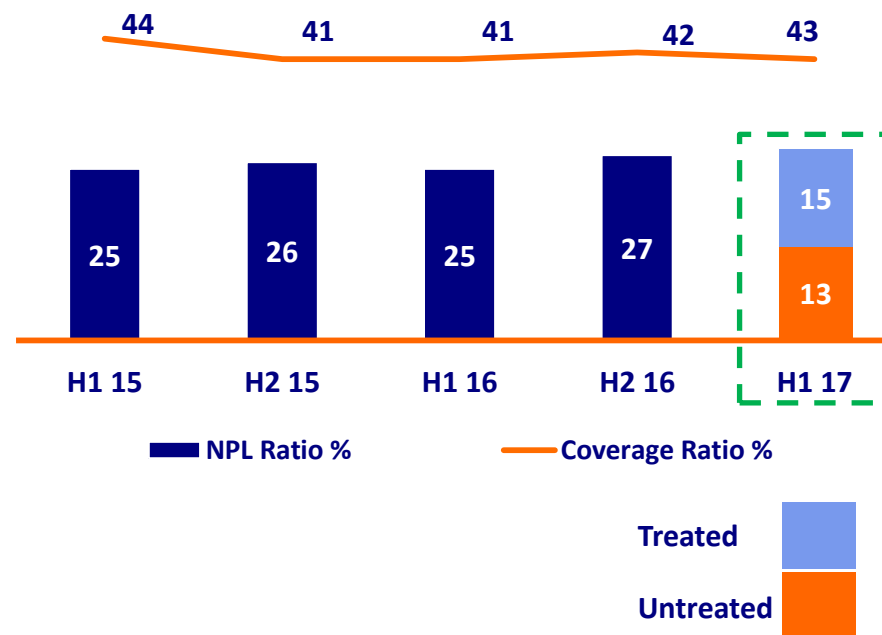
Low Impairment Charge; Provision Coverage Remains Appropriate

Impairment Charge and Cost of Risk

	H1 17	H1 16 ¹ (Underlying)
Home Loans	5	(33)
Buy-To-Lets	(1)	(38)
Total Residential Mortgages	4	(71)
Other	2	(13)
Total Charge / (Write-Back)	6	(84)
Cost of Risk ²	6bps	(51bps)

- H1 16 included write-backs of €35m from recalibrating HPI
- H1 17 excludes any HPI adjustment
- FY17 charge expected to be c. 25bps excluding any HPI adjustment

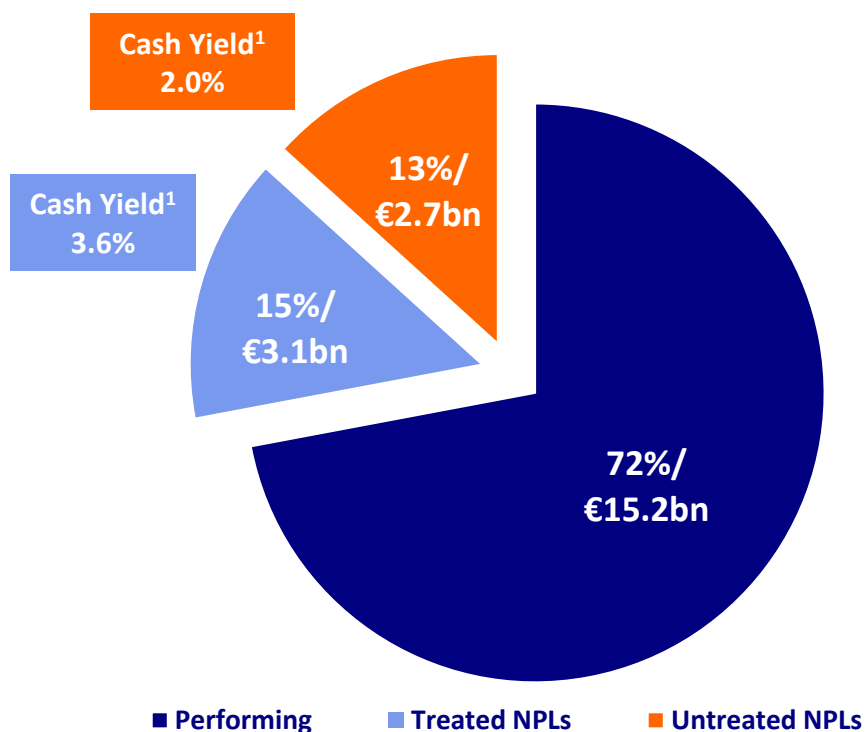
NPLs and Coverage Ratio %



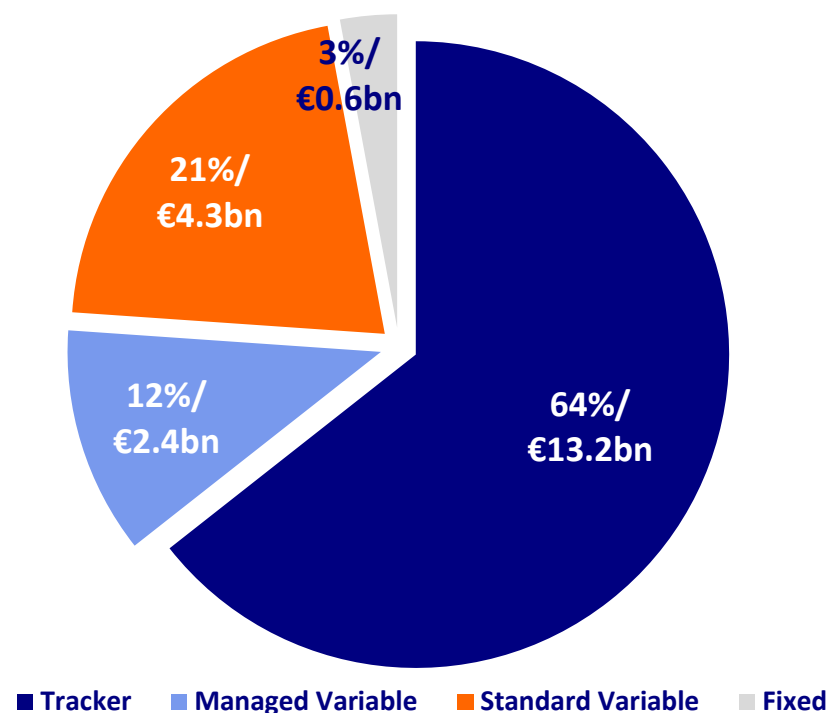
Loan Book

Progressing Towards Performing Loan Book Growth in 2019

Gross Loan Book of €21.0bn



Residential Mortgage Book of €20.5bn

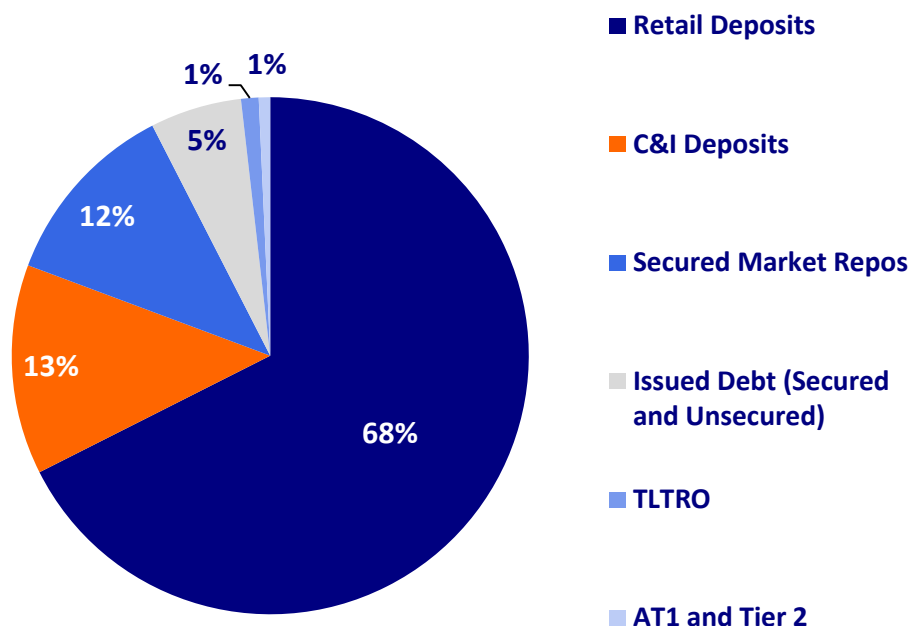


1. Calculated as Cash Collected divided by Gross Loans

Funding And Liquidity

Strong Funding and Liquidity Position

Funding Base €20.9bn



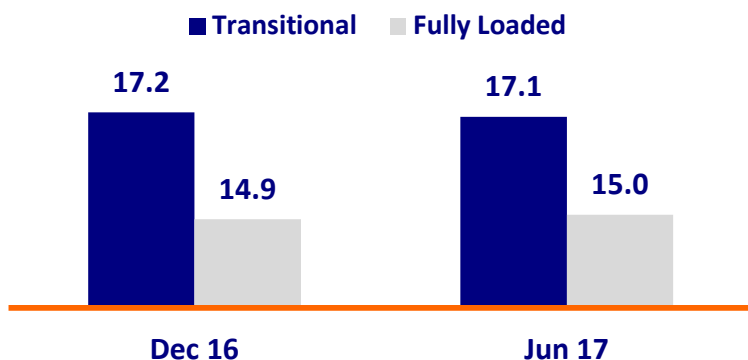
	June 17	Dec 16
LDR	110%	111%
LCR ¹	145%	166%
NSFR	107%	105%
Encumbrance Ratio	27%	32%

- 81% Funded by Customer Deposits
- No reliance on ECB Funding (Remaining ECB Funding is a strategic use of TLTRO)
- Still awaiting clarity on MREL requirements

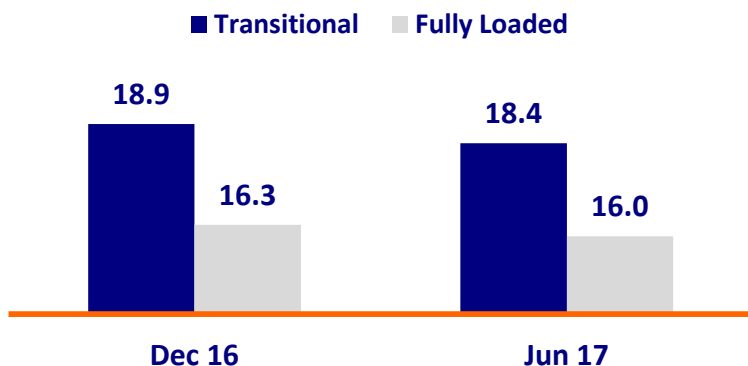
Capital Position

Capital Level Above Minimum Requirements

CET1 Capital %



Total Capital %



- Regulatory Minimum on a Transitional Basis (SREP) – CET1 11.45%; Total Capital 14.95%
- RWAs of €10.6bn (Dec 16: €10.6bn)
- Capital Ratios includes a preliminary downward adjustment of 1.5% relating to IRB model recalibration (TRIM)
- Discussions with the Regulator expect to conclude in Q1 2018 – additional adjustment expected to be c.2.5% of the CET1 Ratio
- IFRS 9 impact assessment still ongoing

Summary

- **Sustainable Underlying Profitability**
- **Strong and Stable Funding Base**
- **Capital Ratios above Regulatory minimum requirements**
- **Stable Balance Sheet to support growth**

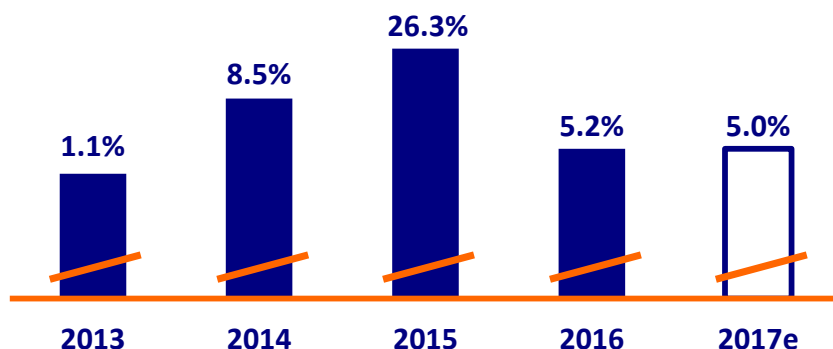
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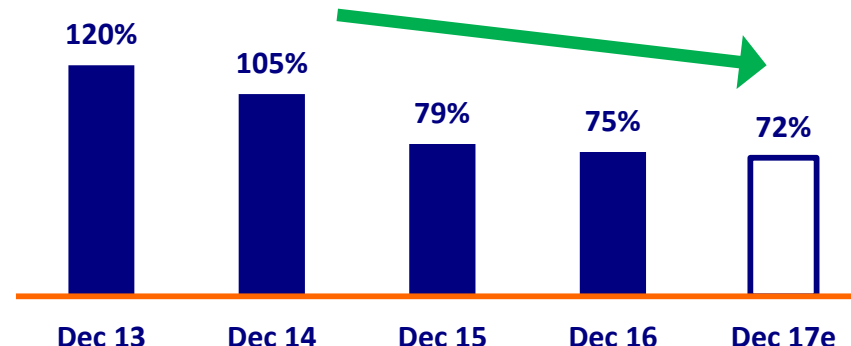
Macroeconomic Environment (1/2)

Strong Growth In The Domestic Economy

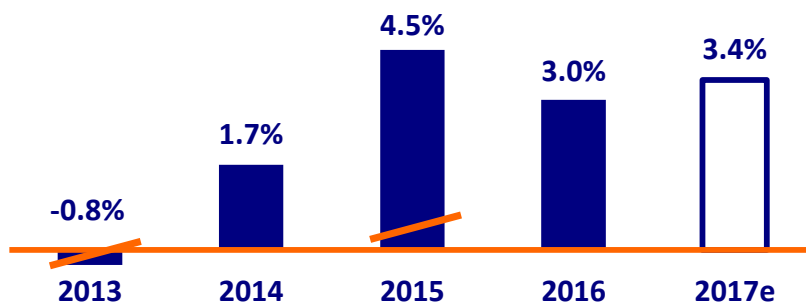
Domestic GDP



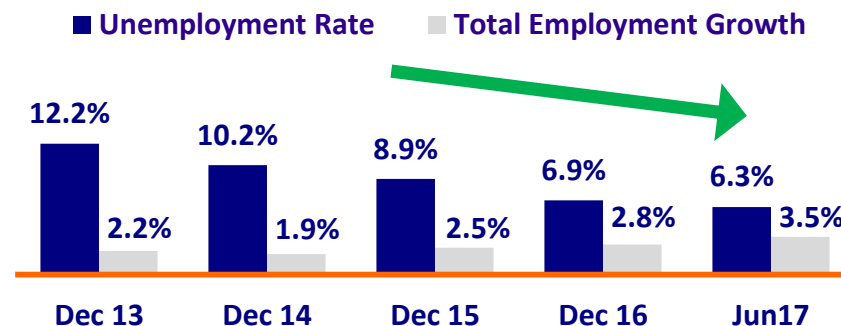
Government Debt (GDP)



Consumer Spending (Growth)



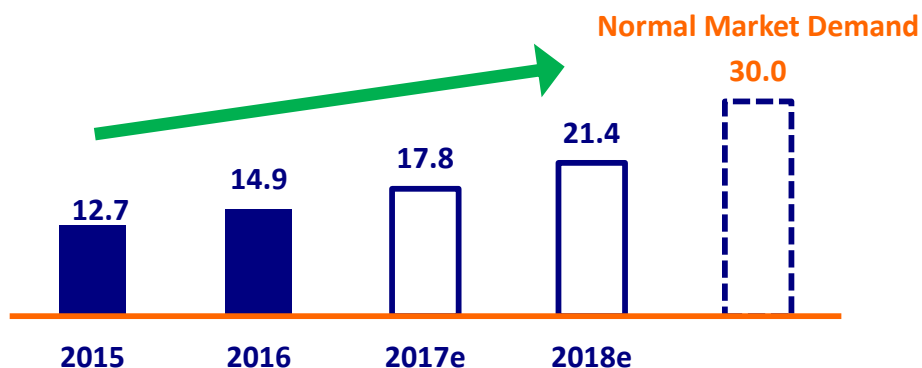
Labour Market



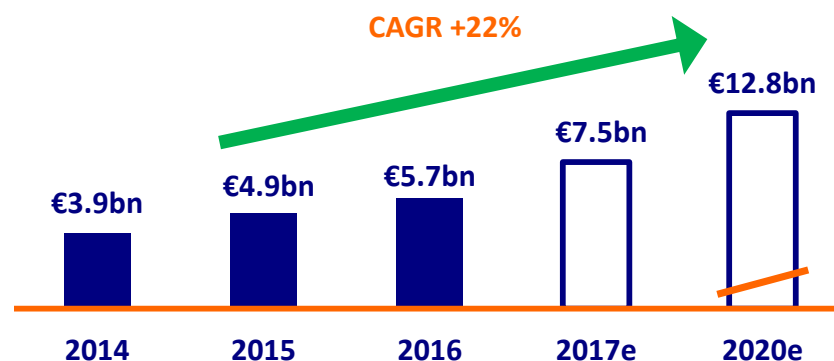
Macroeconomic Environment (2/2)

Continued Recovery In The Housing Market

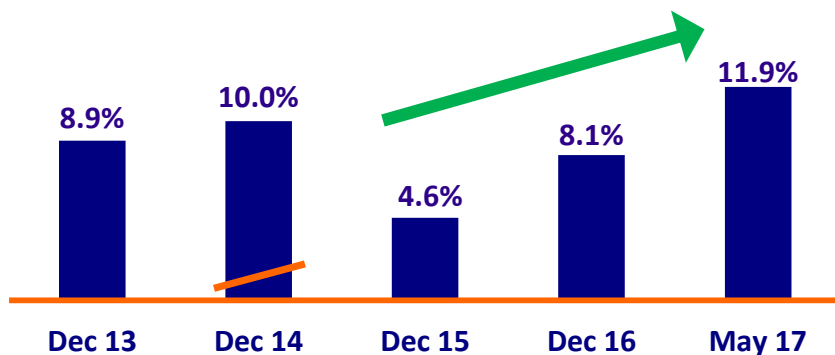
Housing Completions (000s)



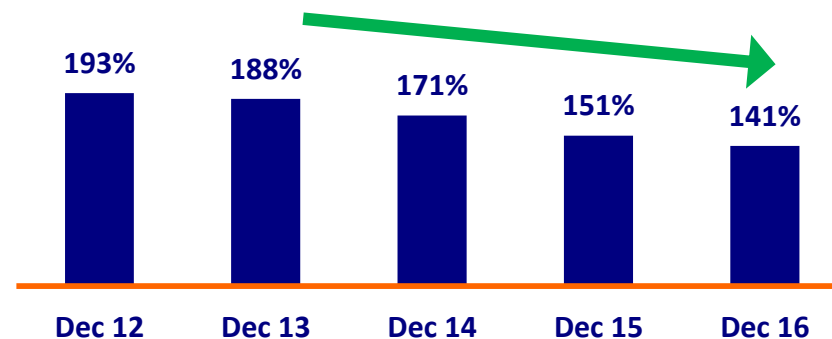
Mortgage Market



House Price Growth (YoY)



Household Debt / Disposable Income



Historical Financial Results

€m	FY 2016	FY 2015	FY 2014	FY 2013
Net Interest Income	394	358	329	309
Other Income	71	34	38	48
ELG Fees	(4)	(14)	(59)	(105)
Total Operating Income	461	378	308	252
Total Operating Expenses	(341)	(317)	(389)	(300)
Pre-Impairment Profit / (Loss)	120	61	(81)	(48)
Impairment (Charge) / Write-back	68	(35)	42	(929)
Profit /(Loss) Before Exceptional Items	188	26	(39)	(977)
Exceptional Items (Net)	(414)	(460)	(9)	309
Loss Before Tax	(226)	(434)	(48)	(668)

Key Metrics	FY 2016	FY 2015	FY 2014	FY 2013
Net Interest Margin	1.43%	1.12%	0.90%	0.82%
Cost Income Ratio	74%	84%	126%	119%
NPLs	€5.9bn	€6.6bn	€8.3bn	€9.1bn
LDR	111%	125%	138%	150%
CET1 Ratio (Fully Loaded Basis)	14.9%	15.0%	12.4%	11.3%
Total Assets	23,601	29,321	36,293	37,601
Total Equity	2,100	2,396	2,280	2,384

Segmental Income Statement

€m	Group		Core		Non-Core	
	H1 2017	H1 2016	H1 2017	H1 2016	H1 2017	H1 2016
Interest Income	255	294	255	263	-	31
Interest Expense	(51)	(96)	(51)	(53)	-	(43)
Net Interest Income (excl. ELG)	204	198	204	210	-	(12)
ELG Fees	(1)	(3)	(1)	(3)	-	-
Other Income	18	38	18	38	-	-
Total Operating Income	221	233	221	245	-	(12)
Total Operating Expenses Excl. Bank Levy and Regulatory Charges	(144)	(152)	(144)	(142)	-	(10)
Bank Levy and Regulatory Charges	(18)	(25)	(18)	(25)	-	-
Pre-Impairment Profit	59	56	59	78	-	(22)
Impairments (Charge) Write-back	(6)	61	(6)	75	-	(14)
Profit/(Loss) Before Exceptional Items	53	117	53	153	-	(36)
Exceptional Items (Net)	(10)	(9)				
Loss Before Taxation	43	108				
Taxation	(7)	(28)				
Loss For The Year	36	80				

Interest Income Analysis

	Gross Average Balances (€bn)			Gross Yields ¹			Interest Income (€m)	
	H1 2017	H1 2016		H1 2017	H1 2016		H1 2017	H1 2016
Tracker	13.1	13.7	⊗	1.1%	1.2%	=	74	79
Fixed and Variable	7.5	7.4	⊗	3.8%	4.0%	=	141	149
Consumer Finance	0.3	0.3	⊗	10.3%	9.3%	=	16	16
CRE	0.3	0.5	⊗	2.0%	2.1%	=	3	5
UK Non-Core	-	3.3	⊗	-	0.7%	=	-	12
Treasury Assets	3.9	5.1	⊗	1.4%	1.8%	=	28	46
Underlying Interest Income							262	307
Deferred Acquisition Costs							(8)	(13)
Total Interest Income							254	294

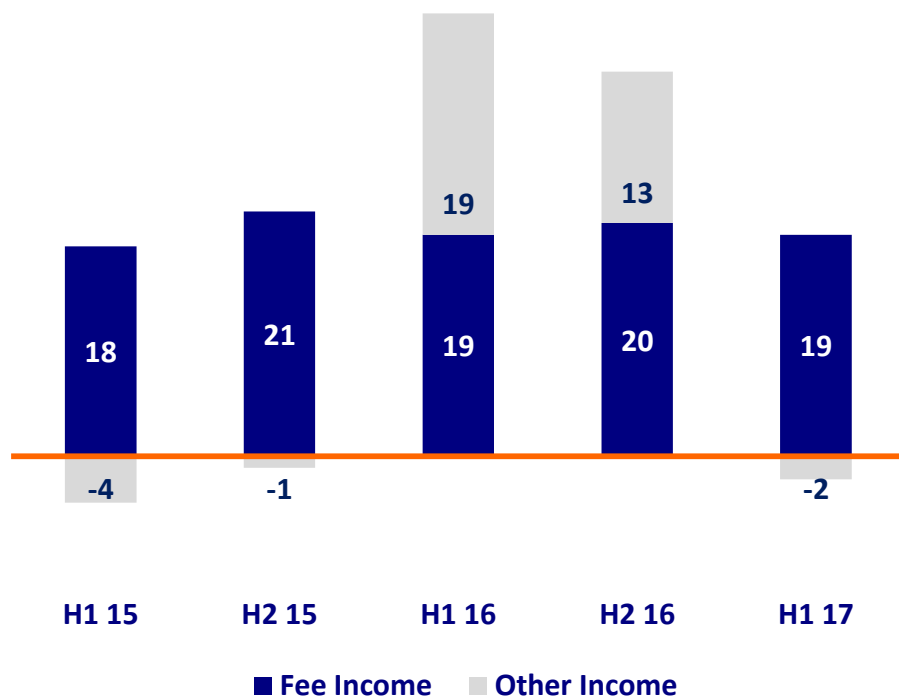
¹ Gross Yield Shown are Net of Hedging Costs

Interest Expenses Analysis

	Average Balances (€bn)			Cost of Funds			Interest Expense (€m)	
	H1 2017	H1 2016		H1 2017	H1 2016		H1 2017	H1 2016
Current Accounts	3.5	3.1	X	0.0%	0.0%	=	1	-
Retail Deposits	10.2	10.7	X	0.5%	0.7%	=	25	37
Corporate Deposits	2.9	3.2	X	0.9%	1.4%	=	13	22
IOM Deposits	0.3	0.4	X	0.9%	1.1%	=	1	2
Wholesale Funding	4.2	4.2	X	0.6%	1.3%	=	11	26
ECB Funding	0.8	4.2	X	0.0%	0.0%	=	-	-
Underlying Interest Expense							-	89
Amortisation Of Core Deposit Intangibles							-	7
Total Interest Expense							51	96

Non-Interest Income

Non-Interest Income (€m)



€m	H1 17	H1 16
Retail Banking and Credit Card Fees	22	22
Brokerage and Insurance	5	5
Other Fee Income	1	1
Total Fee and Commission Income	28	28
Fee and Commission Expense	(10)	(9)
Net Fee and Commission Income	18	19
Other Income*	-	19
Total Other Income	18	38

- H1 16 includes a charge with respect to the GBP Foreign Exchange movements with respect to the Non-Core portfolios which subsequently reversed in H2 16

*Includes One-Off Gain from Visa Share Sale of €29m

Balance Sheet

€bn	Jun 2017	Dec 2016
Trackers	13.2	13.6
Variable	7.2	7.3
Fixed	0.6	0.5
Total Loan Book (Gross)	21.0	21.4
Impairment Provisions	(2.5)	(2.5)
Total Loan Book (net)	18.5	18.9
Treasury Assets	3.9	4.0
Other Assets	0.7	0.7
Total Assets	23.2	23.6
ROI Retail Deposits (Incl. Current Accounts)	13.8	13.6
Isle of Man Deposits	0.3	0.4
Corporate & Institutional	2.8	3.0
Total Customer Deposits	16.9	17.0
Wholesale Funding	3.7	2.8
ECB Funding	0.2	1.4
Other Liabilities	0.3	0.3
Total Liabilities	21.1	21.5
Total Equity (incl. AT1)	2.1	2.1
Total Equity and Liabilities	23.2	23.6

Asset Quality

30 June 2017

	ROI Residential mortgages		CRE	Consumer Finance	Total
	Home loan	Buy-to-let			
	€m	€m	€m	€m	€m
Excellent	9,164	1,109	15	161	10,449
Satisfactory	1,368	2,482	114	63	4,027
Fair Risk	849	300	28	31	1,208
Neither past due nor impaired	11,381	3,891	157	255	15,684
Past due but not impaired	383	78	4	9	474
Impaired	3,330	1,401	67	58	4,856
	15,094	5,370	228	322	21,014
Provision for impairment losses	(1,420)	(929)	(75)	(55)	(2,479)
	13,674	4,441	153	267	18,535
Deferred fees, discounts and fair value adjustments	54	-	-	-	54
	13,728	4,441	153	267	18,589

31 December 2016

	ROI Residential mortgages		CRE	Consumer Finance	Total
	Home loan	Buy-to-let			
	€m	€m	€m	€m	€m
Excellent	9,216	971	15	170	10,372
Satisfactory	1,413	2,668	117	50	4,248
Fair Risk	820	327	32	24	1,203
Neither past due nor impaired	11,449	3,966	164	244	15,823
Past due but not impaired	431	123	7	13	574
Impaired	3,406	1,360	72	74	4,912
	15,286	5,449	243	331	21,309
Provision for impairment losses	(1,406)	(930)	(81)	(65)	(2,482)
	13,880	4,519	162	266	18,827
Deferred fees, discounts and fair value adjustments	59	-	-	-	59
	13,939	4,519	162	266	18,886

NPLs

30 June 2017

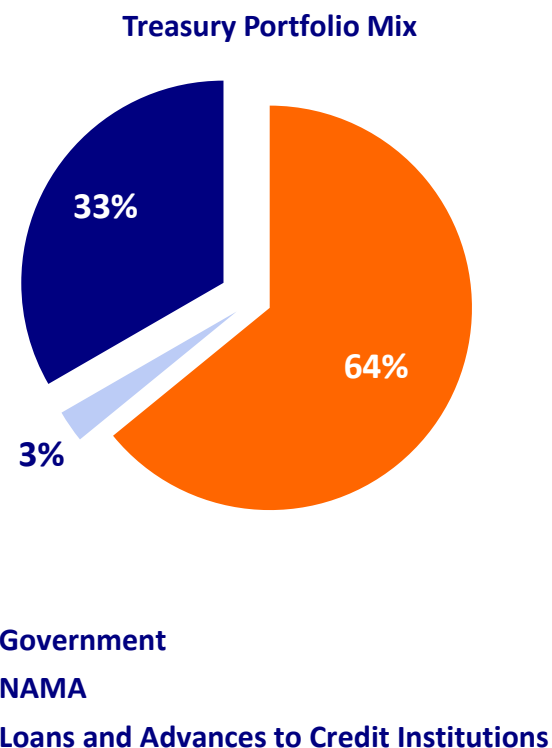
	ROI Residential mortgages				Total
	Home loan	Buy-to-let	Commercial	Consumer Finance	
	€m	€m	€m	€m	€m
Not impaired no arrears	596	156	3	-	755
Not Impaired < 90 days in Arrears	53	4	-	-	57
Not Impaired > 90 days in Arrears	110	4	-	-	114
Impaired loans	3,330	1,401	67	58	4,856
Non-performing loans	4,089	1,565	70	58	5,782
NPLs as % of gross loans	27%	29%	31%	18%	28%
Provision coverage ratio	35%	59%	107%	95%	43%

31 December 2016

	ROI Residential mortgages				Total
	Home loan	Buy-to-let	Commercial	Consumer Finance	
	€m	€m	€m	€m	€m
Not impaired no arrears	569	180	3	-	752
Not Impaired < 90 days in Arrears	53	9	-	-	62
Not Impaired > 90 days in Arrears	118	6	-	-	124
Impaired loans	3,406	1,360	72	74	4,912
Non-performing loans	4,146	1,555	75	74	5,850
NPLs as % of gross loans	27%	29%	31%	22%	27%
NPL provision coverage ratio	34%	60%	108%	88%	42%

Treasury Portfolio Overview

	H1 2017		FY 2016	
Asset Type	Balance (€bn)	Gross Yield% ¹	Balance (€bn)	Gross Yield% ²
Debt Securities	2.6	2.2	2.7	2.4
Government	2.5	2.2	2.4	2.6
NAMA	0.1	3.7	0.3	1.7 ²
Loans and Advances to Credit Institutions (Cash and Equivalents)	1.3	0.0	1.3	0.0
<i>o/w Restricted in Securitisation Vehicle Balances</i>	0.5		0.5	
Total	3.9	2.4	4.0	1.6



Regulatory Capital

	30 Jun 17 ¹		31 Dec 16	
	Transitional €m	Fully Loaded €m	Transitional €m	Fully Loaded €m
RWAs	10,629	10,629	10,593	10,593
Capital Resources:				
CET1 Capital	1,822 ²	1,592	1,827	1,579
Additional Tier 1	62	47	98	82
Tier 1 Capital	1,884	1,639	1,925	1,661
Tier 2 Capital	68	63	78	68
Total Capital	1,952	1,702	2,003	1,729
Capital Ratios:				
CET1 Capital	17.1%	15.0%	17.2%	14.9%
Tier 1 Capital	17.7%	15.4%	18.2%	15.7%
Total Capital	18.4%	16.0%	18.9%	16.3%
Leverage Ratio²	7.8%	6.8%	7.8%	6.8%

	30 Jun 17 ¹		31 Dec 16	
	Transitional €m	Fully Loaded €m	Transitional €m	Fully Loaded €m
Total Equity	2,108	2,108	2,100	2,100
Less: AT1 Capital	(122)	(122)	(122)	(122)
Captive Insurance Equity	(9)	(9)	(10)	(10)
Adjusted Capital	1,977	1,977	1,968	1,968
Prudential Filters:				
Intangible Assets	(33)	(33)	(34)	(34)
Deferred Tax	(103)	(348)	(71)	(355)
AFS Reserve	(9)	-	(24)	-
Revaluation Reserve	(6)	-	(12)	-
Others	(4)	(4)	-	-
Common Equity Tier 1 Capital	1,822 ²	1,592	1,827	1,579

- Figures are based on the draft COREP which will be completed and submitted to the Central Bank in August 2017.
- The 2017 Interim Profit is reflected in the capital ratios. The application for the inclusion of the interim profit in the regulatory capital metrics is being sought under Article 26 (2) of the Capital Requirements Regulation (CRR).
- Calculated as Tier 1 Capital as % of gross balance sheet exposures (total assets and off-balance sheet loan commitments).