

INTERIM FINANCIAL RESULTS 2019

Forward Looking Statements

This document contains 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 operational results, 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



H1 2019
Business Progress
Jeremy Masding, CEO



H1 2019
Financial Performance
Eamonn Crowley, CFO

Agenda

H1 2019



Business Update

Jeremy Masding, CEO

Continuing Commercial And Financial Progress

H1 2019 Highlights

Growth



- New Lending of €0.7bn, up 22% YoY
- Mortgage Market Share of c.14.7%¹ up from 13.8% at H1 18

Profit



- Reported Profit Before Tax of €28m
- Underlying Profit² of €42m
- Net Interest Margin of 1.82%, up 5bps on H1 18

Capital



- CET1 Ratio remains above Management and Regulatory minimum
 - Fully Loaded 14.4% | Transitional 16.8%
 - Management Target (fully loaded) c. 13%

Properties In Possession



- 434 Properties Sold & Sale Agreed in H1 19
- C. 1400 Properties sold over the last 18 months

NPLs



- NPLs of €1.7bn, NPL Ratio 10%
- Remain committed to Medium Term Mid Single Digit Ratio

Credit Rating



- Moody's upgraded credit rating by two notches to Baa3 (Investment Grade)

Building Positive Momentum

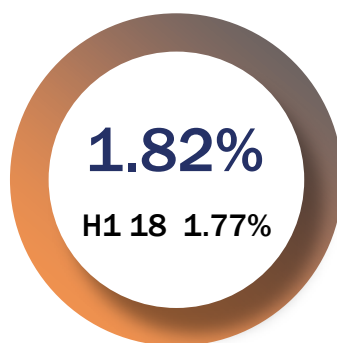
Underlying Profit Of €42m, NIM Up 5bps

Financial Performance

Underlying Profit¹



Net Interest Margin



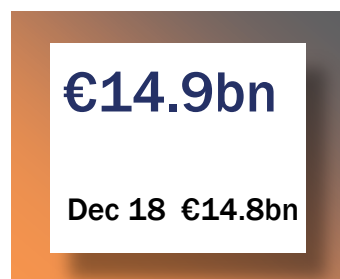
Operating Expense²



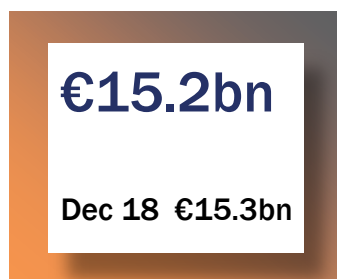
Impairment Charge



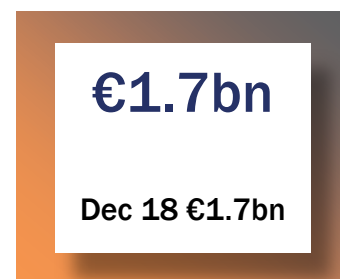
Retail Deposits Incl Current Accounts



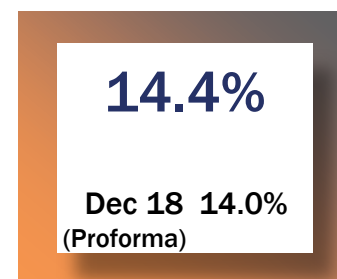
Performing Loan Book



NPLs



CET1 Ratio Fully Loaded



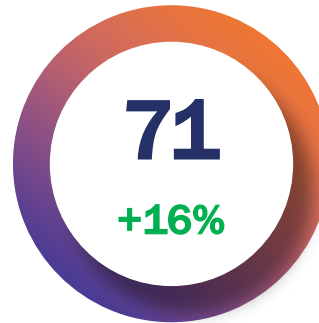
Delivering Strong Performance In New Business

22% Growth In Total New Lending

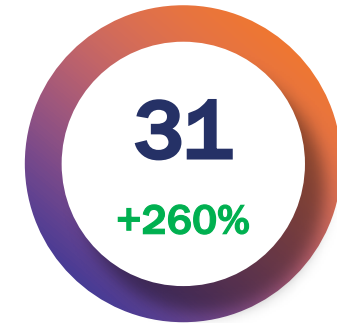
Total Customer Lending (€m)



Mortgage Lending

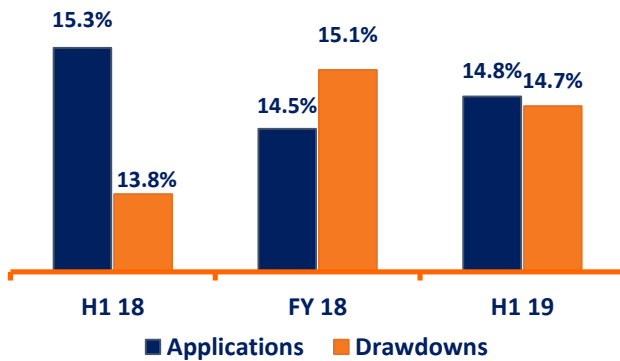


Personal Term Lending

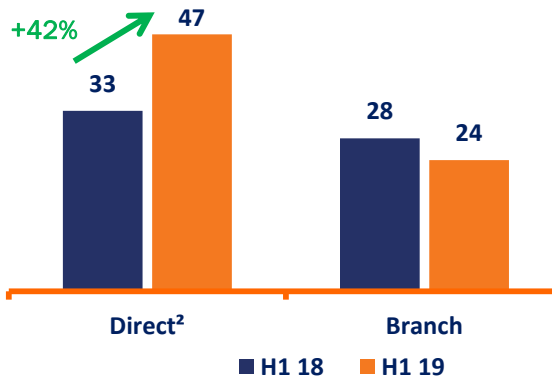


SME Lending

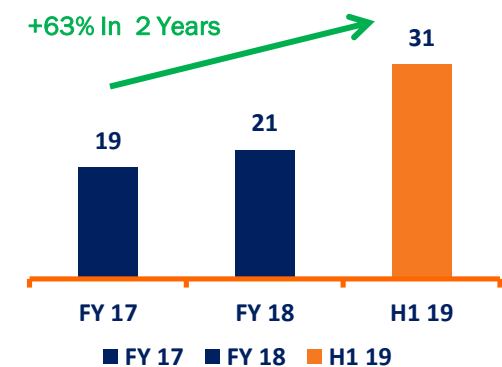
Mortgage Market Share (%)¹



Personal Term Lending (€m) By Channel



SME Lending (€m)



1. Source: BPFi Data at June 2019
2. Direct Channels include Online and Voice

Building Positive Momentum Across All Channels

Increased Customer And Channel Activity

Customer Base Activity



Satisfaction¹
2nd in the Market



NPS²
2nd in the Market –
Brand, Customer
Care and Value
being the positive
drivers



Commitment³
2nd in the Market



**New-To-Bank
Mortgage
Customers**
39% Of New
Business



**Payment
Card
Transactions**
Up 8% year-
on-year



Digital Activity
>36 million successful
log-ins to Desktop and
Mobile App

Channel Activity

Branches



- Over the counter transactions <44% v 2013
- 6K Online Mortgage Appointments in Branch in H1 19
- Branch TNPS⁴, the highest NPS since Jan'18

Direct Banking



- Customer choosing how, when, where to interact – Call, Online, Mobile
- 80% of Customers satisfied with Mobile App transactions
- Open24, call volumes are 7% lower YoY, due to migration related activity

Intermediaries



- Mortgage Broker Portal launched
- Intermediaries can now track applications through mortgage milestones
- Differentiating our Intermediary partnership versus peers

1. Customer Satisfaction for a "Great Experience" for Online, Branch and Mobile Transactions versus our peers based on the Red C research commissioned by the Bank, May 2019
 2. Recommendation Net Promoter Score (NPS) – an index ranging from -100 to 100 measuring the willingness of customers to recommend a company's products or services to others based on the Red C research commissioned by the Bank, May 2019
 3. Customer Commitment – tracking 'preferred choice' for main bank customers over time based on the Red C research commissioned by the Bank, May 2019
 4. Branch Transaction Net Promoter Score – internal measure of 'Likelihood to Recommend PTSB following a completed new sale transaction within the branch', May 2019

Repositioning For Profitable Growth

Building The Bank Of Choice



Our Vision
**TO BE THE BANK
OF CHOICE**



Leveraging
**STRUCTURAL
ADVANTAGE**



CAPITAL

To provide sustainable growth and predictable economic profit for our shareholders



CUSTOMER

To deliver personal experiences and fair outcomes that, quite simply, set us apart



COLLEAGUE

To give everyone the opportunity to be the very best they can be



COMMUNITY

To support communities by having a positive and meaningful impact



COMPLIANCE

To embrace, commit to and deliver our regulatory obligations



Single Geography



Straightforward Operating Model



Strengthened Management Team



Simple Technology Infrastructure

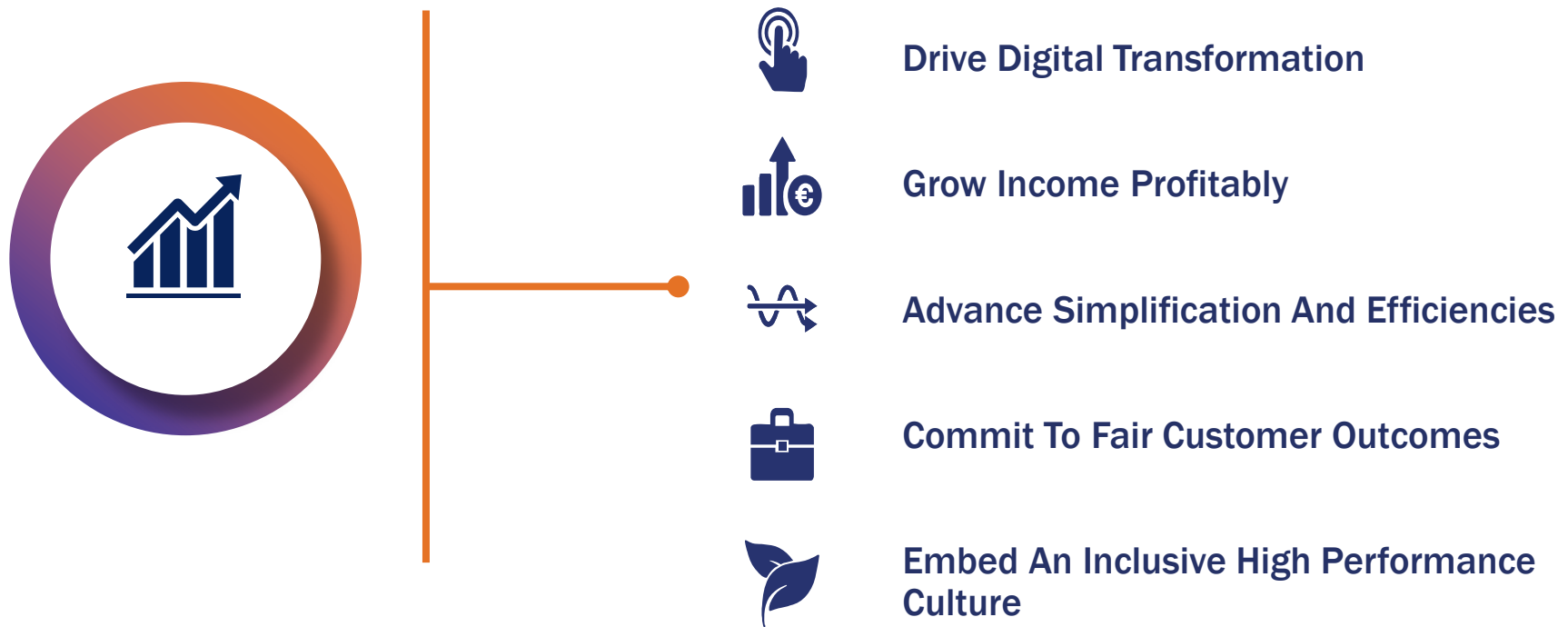


Proven Transformation Expertise

Repositioning For Profitable Growth

Focusing On Key Strategic Performance Priorities

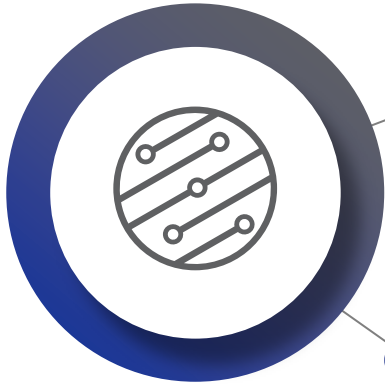
2019 Performance Priorities



Repositioning For Profitable Growth

Driving Digital Transformation

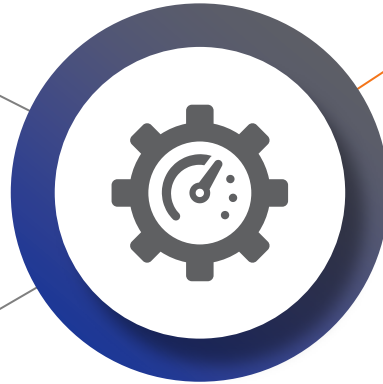
CUSTOMER



Horizons

Improving digital journeys for our customers

TECHNOLOGY



Forte

Transforming our technology platforms to deliver a digital-first, omni-channel customer experience

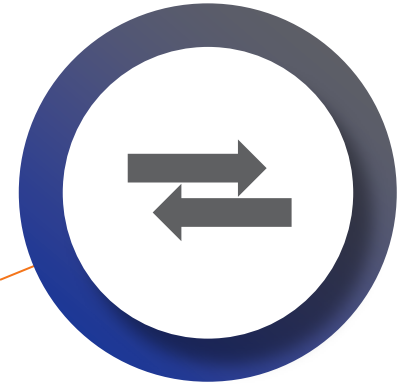
WORKPLACE



Ways Of Working

Introducing new technology and value driven, collaborative ways of working into the workplace

PARTNERSHIPS



Fintech Innovation

Identifying innovation and partnership opportunities

Underpinned By A Safe Secure And Resilient Infrastructure

Good Progress in Year 1 – Programme On Track

Repositioning For Profitable Growth

Building Digital Momentum

H1 2019 - Highlights



310k active customers using the App, up 23% year-on-year



>16k Term Loans applied for end to end in the App



>600k customers using the App and/or the Desktop



27 million successful log ins to the App,



45k Travel Notes, reducing inbound and outbound calls volumes in Open24



100k Knowledge Based & Automated Web Chat Queries served

Responding To Evolving Customer Needs



Increasing Personalisation



Real-time, Connected, Seamless Experience



Convenience and ease



Safety and Security



Simpler product journeys with greater transparency

Delivering On Our Promises

Making Good Progress Against Performance Priorities



Commercial

- 22% new lending growth
- 14.7% mortgage market share
- Cost management a key focus
- Capital well above management and regulatory requirements



Culture

- We have defined the organisational culture for key stakeholders:
 - Shareholders
 - Customers
 - Colleagues
 - Communities
 - Regulators



Technology

- Continuing to deliver digital enhancements for customer journeys
- Project Forte continues to progress well with customer facing releases due in H2 19
- Launched new API developer portal providing ease of integration for digital services



Ways Of Working

- Creating a more agile organisation
- Structural & process design in progress, creating efficiencies in how we work
- Delivering flexible and digital enhancements for our colleagues

H1 2019



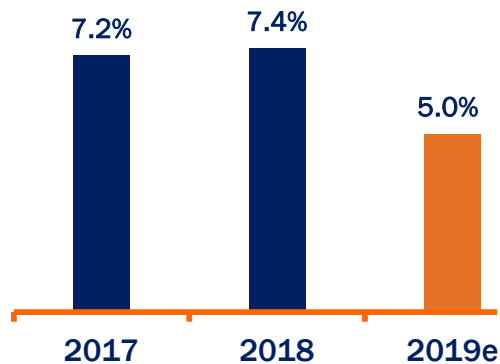
Financial Performance

Eamonn Crowley, CFO

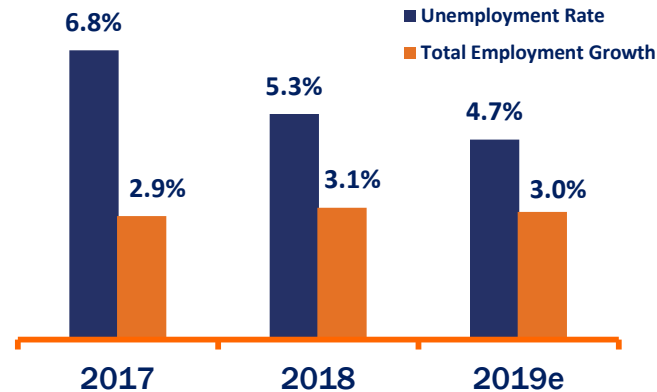
Irish Economy Continues To Grow

Supported By The Housing Market

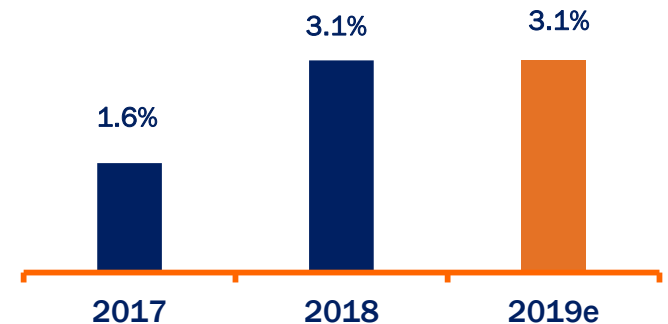
GDP (Growth)



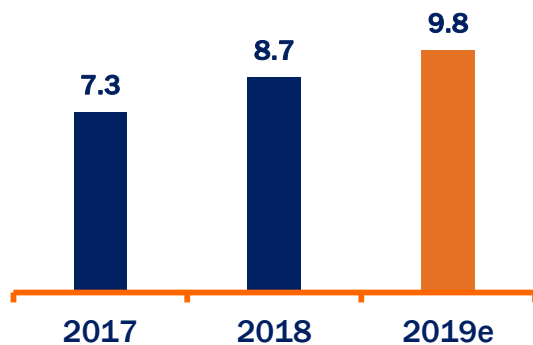
Labour Market



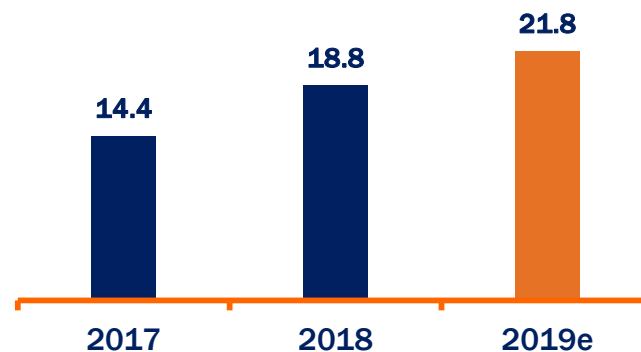
Real Consumer Spending Growth



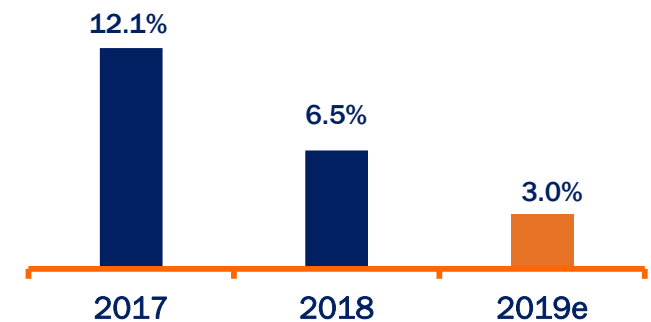
Mortgage Market (€bn)



Housing Completions (000s)



House Price Growth



Maintaining Profitability

Income Statement

	H1 19 €m	H1 18 €m	YoY €m	YoY %
NII (After ELG Fees)	181	193	(12)	(6%)
Fees & Commissions	17	19	(2)	(11%)
Net Other Income	12	22	(10)	(45%)
Operating Income	210	234	(24)	(10%)
Operating Expenses	(145)	(143)	(2)	1%
Regulatory Charges	(18)	(18)	-	-
Pre-Impairment Profit	47	73	(26)	(36%)
Impairment Charge	(5)	-	(5)	-
Profit Before Exceptional Items & Tax	42	73	(31)	(42%)
Exceptional Items (Net) ¹	(14)	(16)	2	-
Profit Before Tax	28	57	(29)	(51%)

H1 19 Vs H1 18

- 6% reduction in NII due to lower income from NPLs (€26m) and Treasury Assets (€7m) offset by lower funding costs

- 11% reduction in Fees & Commissions due to lower overdraft fees

- Net Other Income of €12m primarily relates to the gains on the disposal of Properties in Possession together with some movement on Treasury instruments
- Prior year of €22m is primarily from one off gains from the closure of legacy treasury structures and sale of Treasury Assets (€25m)

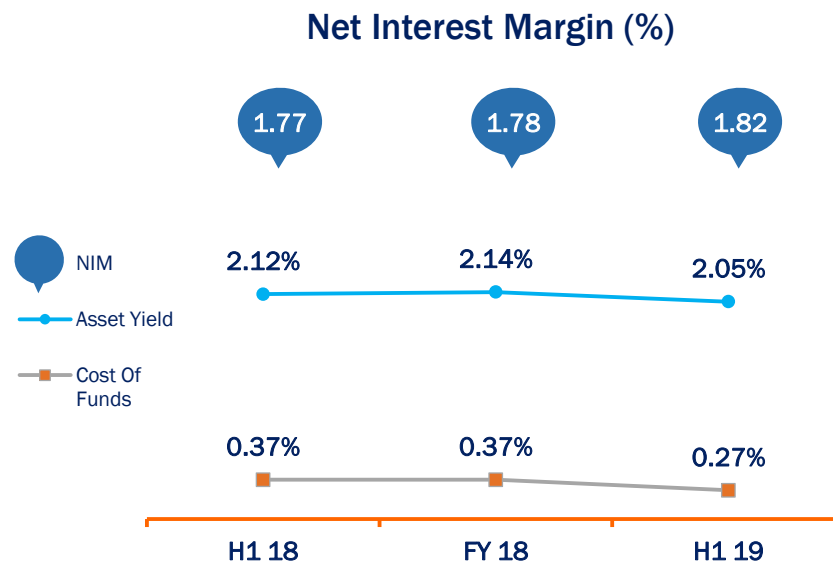
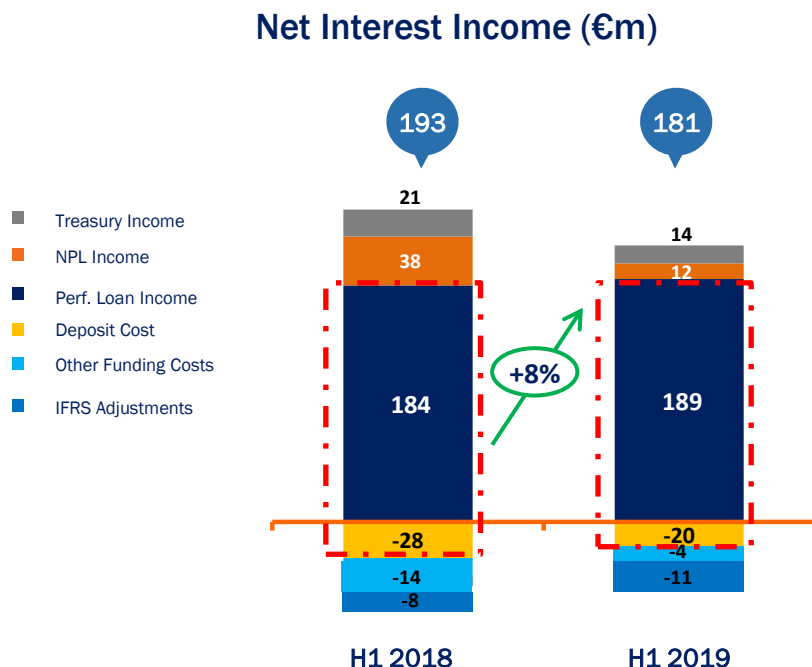
- Operating Expenses & Regulatory Charges remain in line with prior year
- The Bank continues to maintain good cost discipline

- A modest impairment charge of €5m. The underlying loan book is performing well reflecting the stability of the portfolio and the current macroeconomic environment

- Exceptional Items in H1 19 primarily relate to:
 - Restructuring and Other Costs €12m
 - The Tracker Mortgage Examination (TME) fine , €3m P&L impact H1 19

8% YoY Growth In Net Lending Income¹

NIM Stable, 5 Bps Higher Year-On-Year

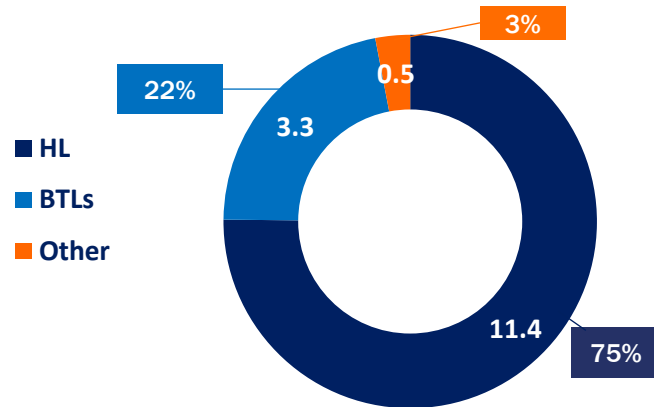


- Performing Loan Income continues to grow, +8% YoY
- Lower NPL income of €26m due to reduction in NPLs following Glas and Glenbeigh in 2018
- Lower Treasury Income of €7m due to the maturities of higher yielding assets
- NIM trajectory expected to remain stable in 2019
- Lower Cost of Funds primarily through continued active management of Deposit Costs
- Reduction in Asset Yield due to maturities of high yielding legacy Treasury Assets together with the reductions to the Bank's Fixed Rate Mortgage products

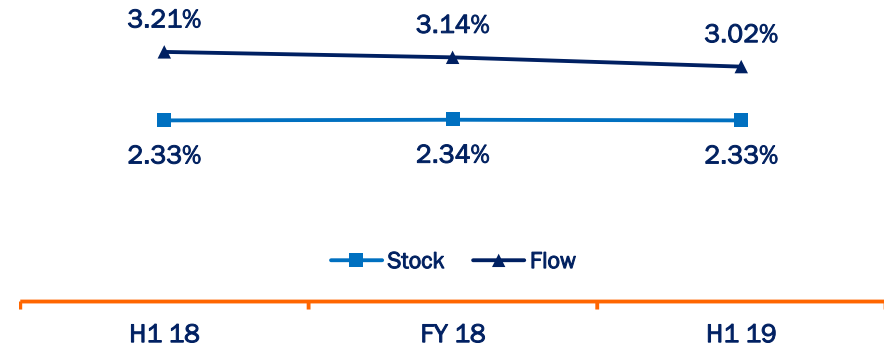
Performing Loan Book

Mortgage Yield On New Business Above 3%

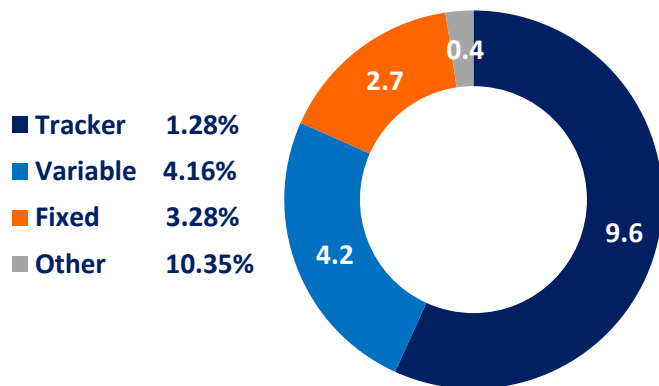
Total Performing Loan Book (€15.2bn)



Performing Loan Yield (Mortgages Only)



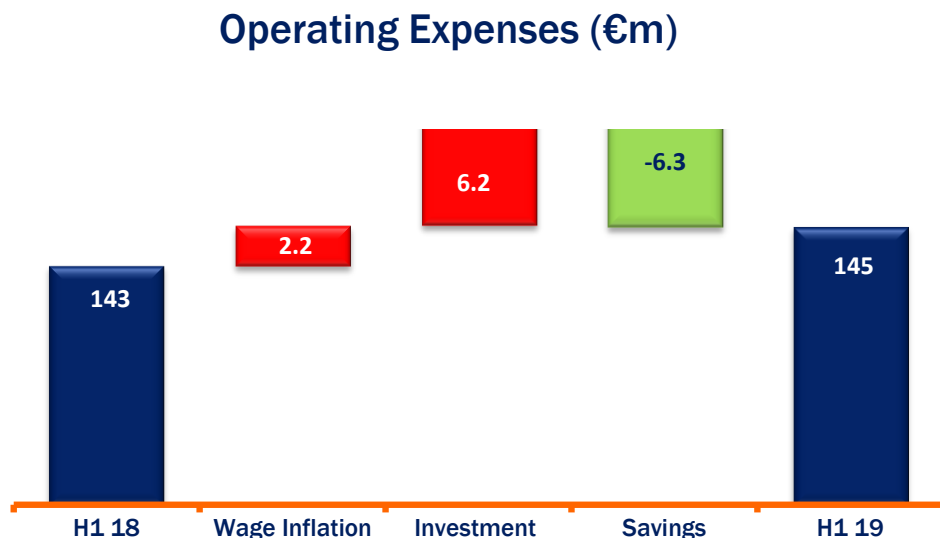
Total Loan Book And Yield (€16.9bn)



- Performing Loan Book of €15.2bn
- Performing Mortgage Book of €14.7bn
 - ✓ Strong growth in New Mortgage Lending (€0.6bn), +18% (market growth of +11%). Mortgage Market Share c.15%
 - ✓ New Mortgage Lending rate continues to be higher than overall Mortgage Back Book rate
- 80% of the mortgage book paying capital and interest
- Tracker mortgage book now 57% of total book

Operating Expenses

Continued Focus On Cost Management



€m	H1 19	H1 18	YoY %
Staff Costs	77	75	3%
Other Costs	51	56	-9%
Depreciation & Amortisation	17	12	42%
Operating Expenses	145	143	1%
Regulatory Charges	18	18	-
Total Operating Expenses	163	161	1%

Average No. Staff	2,376	2,401	-1%
Cost Income Ratio ¹	69%	61%	

Total Operating Expenses (before Regulatory Charges) of €145m, increased by €2m YoY, in line with expectation.

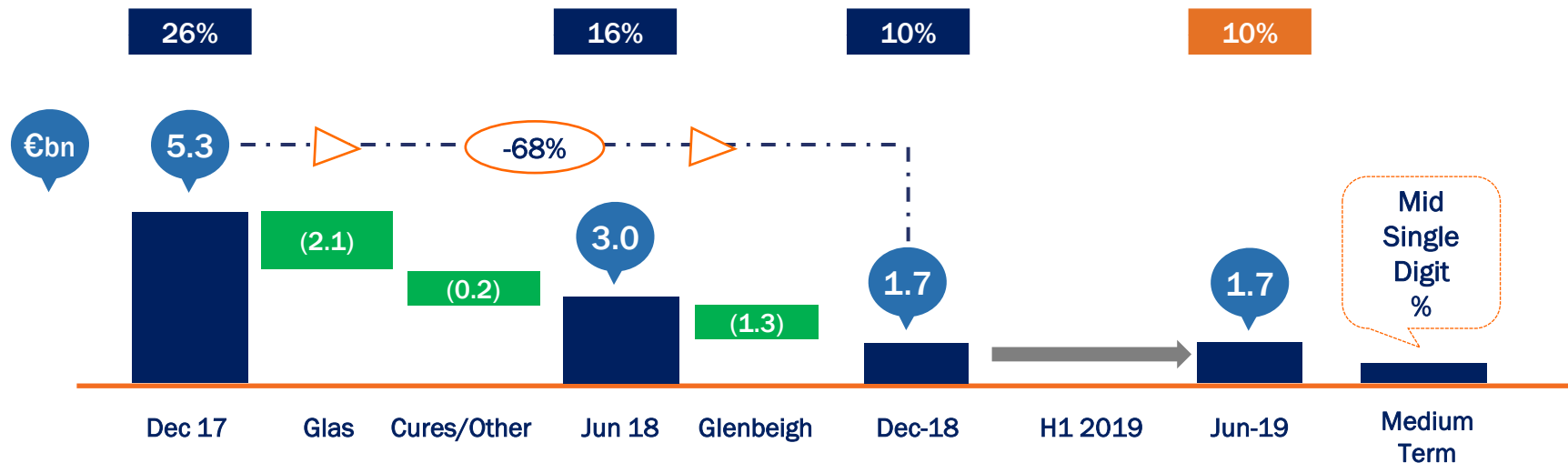
The primary movements in operating expenses are:

- Wage inflation c.€2.2m, investment in business and technology programmes (€6.2m), offset by payroll savings (€3.5m) together with other savings initiatives (€2.8m).
- The impact of IFRS 16, reduces Other Costs by c.€4m with an equal and opposite increase in Depreciation & Amortisation

Operating Expenses are expected to remain flat over the Medium Term as the cost of investment is funded from within the Bank's cost base.

Remain Committed To Meet Mid-Single Digit

NPL Ratio Of 10%



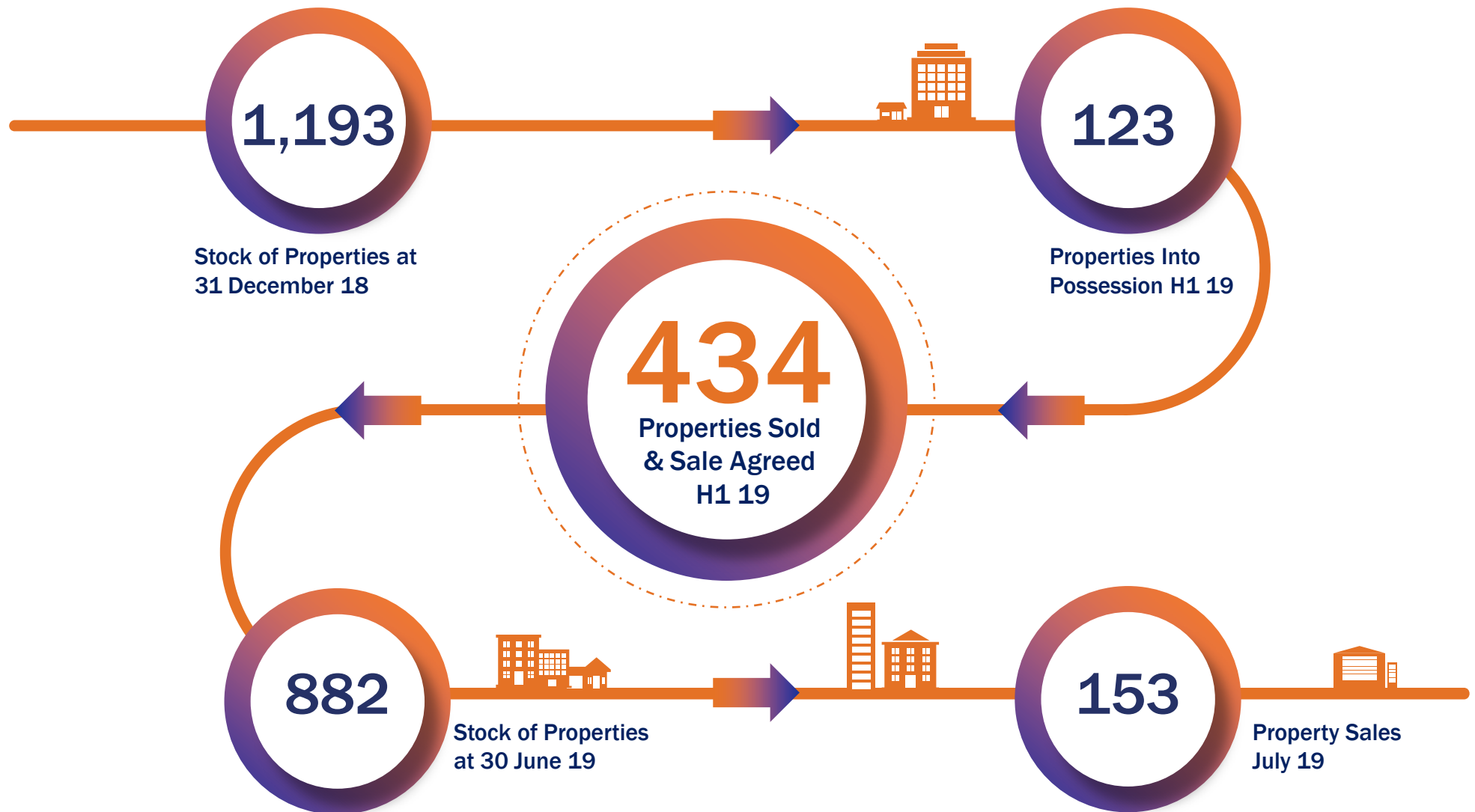
Asset Quality / Coverage

Category	Balance (€bn)	ECL (€bn)	Coverage (%)
Stage 1 / 2	15.14	0.43	3%
Stage 3 (NPLs)	1.69	0.65	38%
Total	16.83	1.08	6%

- Non Performing Loans of €1,685m, 1% lower than Dec 18
- C. €300m of organic and technical defaults on a path to cure over the next 18 months
- Asset Quality Coverage remains appropriate
- Committed to meeting Medium Term guidance, Mid-Singe Digit, considering all alternative options while protecting capital
- SREP guidance received on coverage levels for secured NPLs (over 7 years) of 40% from end 2020

Properties In Possession

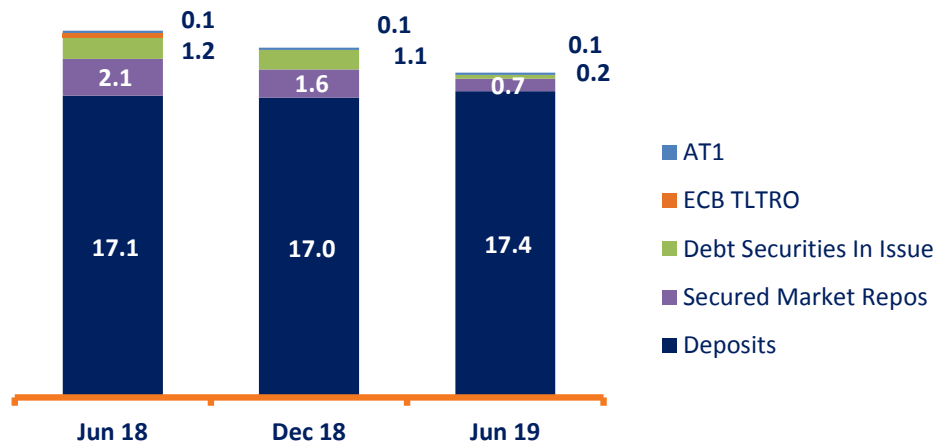
Good Progress In Selling Properties



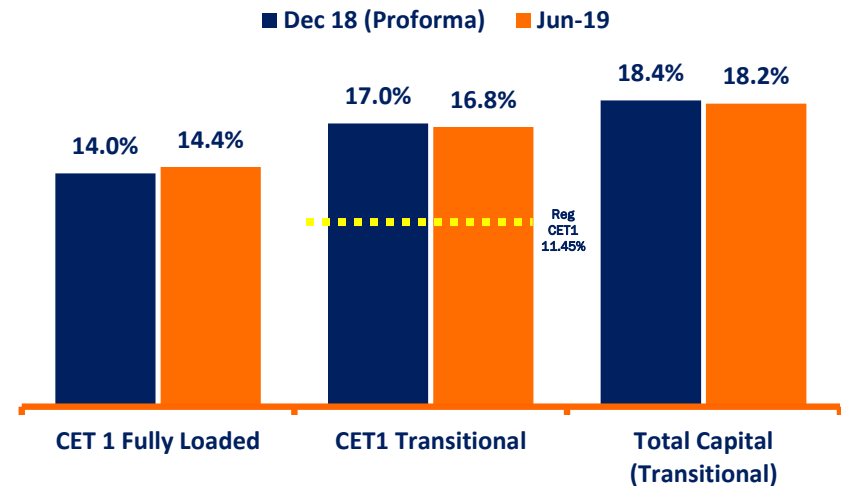
Strong Funding And Capital Position

Investment Grade Achieved

Total Funding (€18.4bn)



Regulatory Capital Ratios (%)



LDR 91% LCR 186% NSFR 133%

- 95% funded by total Customer Deposits, 81% from Retail Deposits including Current Accounts
- MREL indicative target of 25.8% (c.€1bn) by 1 Jan 2021
- Moody's upgraded the Bank's credit rating by two notches to Baa3, returning the Bank to Investment Grade, and maintaining their outlook on the Bank as positive.

- Capital Ratios remain well above Regulatory Minimum Requirements
- CET1 Minimum Regulatory Transitional Requirement of 11.45%. Increased in 2019 as a result of;
 - Capital Conservation Buffer (CCB) of 0.625%; and
 - Countercyclical Capital Buffer (CCyB) of 1.0%
- Management CET1 (fully loaded) Target is 13%

Summary

Continuing Commercial And Financial Progress

- €700 Million New Lending in 2019, Maintaining Commercial Discipline on Risk and Pricing
- Cost Management a Key Focus - Progressing with Business Initiatives to Improve Efficiency and Drive Digital Transformation
- Committed to Meeting our Medium Term, Mid-Single Digit NPL Ratio Target
- We Continue to make Commercial and Financial progress, Supported by a Growing Irish Economy.

H1 2019



Appendix

Domestically Focused Retail And SME Bank

Business Overview

Business

€15.2bn

Performing
Loan Book

€4.6bn

Current Account
Balances

€10.3bn

Retail Deposit
Balances

Market Share

14.7%

Residential
Mortgage
Balances¹

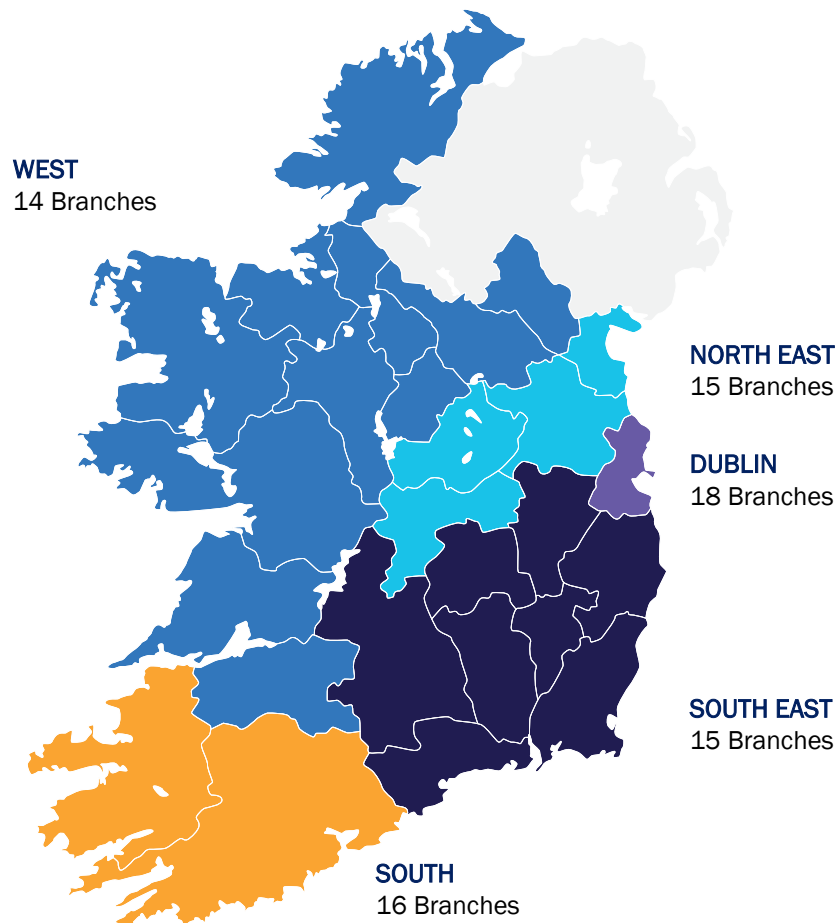
12.4%

Current Account
Balances²

11.3%

Retail Deposit
Balances²

Our Physical Landscape



Historical Financial Information – Income Statement

€m	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Net Interest Income	379	407	394	358	329
Other Income	63	38	71	34	38
ELG Fees	-	(2)	(4)	(14)	(59)
Total Operating Income	442	443	461	378	308
Total Operating Expenses (Before Exceptional Items)	(331)	(329)	(341)	(317)	(389)
Pre-Impairment Profit / (Loss)	111	114	120	61	(81)
Impairment (Charge) / Write-Back	(17)	(49)	68	(35)	42
Profit / (Loss) Before Exceptional Items	94	65	188	26	(39)
Exceptional Items (Net)	(91)	(13)	(414)	(460)	(9)
Profit / (Loss) Before Tax	3	52	(226)	(434)	(48)

Key Metrics	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Net Interest Margin	1.78%	1.80%	1.48%	1.12%	0.90%
Headline Cost Income Ratio ¹	75%	74%	74%	84%	126%

Historical Financial Information – Balance Sheet

€bn	Dec 2018	Dec 2017	Dec 2016	Dec 2015	Dec 2014
Total Loan Book (net)	15.9	18.4	18.9	23.0	27.2
Treasury Assets	3.8	3.5	3.9	5.5	8.1
Other Assets	2.1	0.9	0.8	0.8	1.0
Total Assets	21.8	22.8	23.6	29.3	36.3
ROI Retail Deposits (Incl. Current Accounts)	14.8	14.3	13.6	14.0	14.3
Isle of Man Deposits	-	-	0.4	0.5	0.6
Corporate & Institutional	2.2	2.7	3.0	4.0	5.5
Total Customer Deposits	17.0	17.0	17.0	18.5	20.4
Wholesale Funding	2.6	3.3	2.8	3.1	8.1
ECB Funding	-	0.2	1.4	4.7	4.9
Other Liabilities	0.2	0.2	0.3	0.6	0.7
Total Liabilities	19.8	20.7	21.5	26.9	34.1
Total Equity (incl. AT1)	2.0	2.1	2.1	2.4	2.2
Total Equity and Liabilities	21.8	22.8	23.6	29.3	36.3
Key Metrics:					
NPLs	€1.7bn	€5.3bn	€5.9bn	€6.6bn	€8.3bn
LDR	93%	108%	111%	125%	138%
CET1 Ratio (Fully Loaded Basis)	12.2%	15.0%	14.9%	15.0%	12.4%

Interest Income Analysis

	Gross Average Balances (€bn)		Gross Yields		Interest Income (€m)	
	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018
Tracker	9.7	12.3	1.3%	1.3%	61	77
Fixed and Variable	6.7	7.5	3.8%	3.9%	126	147
Consumer Finance	0.3	0.3	10.3%	10.1%	17	16
CRE	0.1	0.2	3.3%	3.3%	2	3
Treasury Assets	4.1	3.7	0.7%	1.2%	15	21
Underlying Interest Income					221	264
Deferred Acquisition Costs and Accounting Adjustments					(16)	(29)
Total Interest Income					205	235

Interest Expenses Analysis

	Average Balances (€bn)		Cost of Funds		Interest Expense (€m)	
	H1 2019	H1 2018	H1 2019	H1 2018	H1 2019	H1 2018
Current Accounts	4.2	3.8	0.0%	0.0%	0	1
Retail Deposits	10.4	10.5	0.3%	0.3%	13	18
Corporate Deposits	2.5	2.6	0.5%	0.6%	6	8
IOM Deposits	-	-	-	-	-	-
Wholesale Funding	1.8	3.3	0.3%	0.6%	2	10
ECB Funding	0.0	0.2	0.0%	0.0%	-	-
Underlying Interest Expense					21	37
Other					3	5
Total Interest Expense					24	42

Asset Quality

Loans and Advances to Customers

Measured at Amortised Cost

Home Loans

Buy To Let

Total Residential Mortgages

Commercial

Consumer Finance

Total Measured at Amortised Cost

Analysed By ECL Staging

Stage 1

Stage 2

Stage 3

POCI

Neither past due nor Stage 3

Past due but not stage 3

Stage 3

Loss Allowance – Statement of Financial Position

Stage 1

Stage 2

Stage 3

Specific Provisions

IBNR Provisions

Total Loss Allowance

	30-Jun 2019 €m	31-Dec 2018 €m
Home Loans	12,403	12,413
Buy To Let	3,904	4,003
Total Residential Mortgages	16,307	16,416
Commercial	171	165
Consumer Finance	349	335
Total Measured at Amortised Cost	16,827	16,916
<i>Analysed By ECL Staging</i>		
Stage 1	10,620	10,519
Stage 2	4,522	4,701
Stage 3	1,682	1,692
POCI	3	4
Neither past due nor Stage 3	15,101	15,195
Past due but not stage 3	41	25
Stage 3	1,685	1,696
<i>Loss Allowance – Statement of Financial Position</i>	16,827	16,916
Stage 1	36	35
Stage 2	390	411
Stage 3	655	637
Specific Provisions	-	-
IBNR Provisions	-	-
Total Loss Allowance	1,081	1,083

NPLs and NPAs

30-Jun-19

Stage 3 Analysis					
	Home Loan	Buy-To-Let	Commercial	Consumer Finance	Total
	€m	€m	€m	€m	€m
NPL is < 90 Days	602	358	30	3	993
NPL is > 90 Days and < 1 year past due	73	27	1	8	109
NPL is 1-2 years past due	45	11	1	1	58
NPL is 2-5 years past due	52	18	9	4	83
NPL is > 5 years past due	296	132	7	4	439
POCI	-	-	-	3	3
Non-performing loans	1,068	546	48	23	1,685
Foreclosed assets*	29	71	2	-	102
Non-performing assets	1,097	617	50	23	1,787
NPLs as % of gross loans	9%	14%	28%	7%	10%

31-Dec-18

Stage 3 Analysis					
	Home Loan	Buy-To-Let	Commercial	Consumer Finance	Total
	€m	€m	€m	€m	€m
NPL is < 90 Days	654	336	29	3	1022
NPL is > 90 Days and < 1 year past due	77	19	-	9	105
NPL is 1-2 years past due	20	8	2	1	31
NPL is 2-5 years past due	55	19	13	4	91
NPL is > 5 years past due	294	134	11	4	443
POCI	-	-	-	4	4
Non-performing loans	1,100	516	55	25	1,696
Foreclosed assets*	43	105	-	-	148
Non-performing assets	1,143	621	55	25	1,844
NPLs as % of gross loans	9%	13%	33%	7%	10%

* Foreclosed assets are assets held on the balance sheet which are obtained by taking possession of collateral or by calling on similar credit enhancements.

Regulatory Capital

	30 June 19		31 Dec 18	
	Transitional	Fully Loaded	Transitional	Fully Loaded
	€m	€m	€m	€m
RWAs	10,306	10,287	11,990	11,966
Capital Resources:				
Common equity tier 1*	1,731	1,478	1,768	1,456
Additional Tier 1	82	88	87	95
Tier 1 Capital	1,813	1,566	1,855	1,551
Tier 2 Capital	64	64	66	66
Total Capital	1,877	1,630	1,921	1,617
Capital Ratios:				
CET1 Capital	16.8%	14.4%	14.7%	12.2%
Tier 1 Capital	17.6%	15.2%	15.5%	13.0%
Total Capital	18.2%	15.8%	16.0%	13.5%
Leverage Ratio**	8.8%	7.7%	8.4%	7.1%

	30 June 19		31 Dec 18	
	Transitional	Fully Loaded	Transitional	Fully Loaded
	€m	€m	€m	€m
Total Equity	1,988	1,988	1,980	1,980
Less: AT1 Capital	(122)	(122)	(122)	(122)
Captive Insurance Equity	(9)	(9)	(9)	(9)
Adjusted Capital	1,857	1,857	1,849	1,849
Prudential Filters and deductions:				
Intangible Assets	(43)	(43)	(41)	(41)
Deferred Tax	(172)	(339)	(143)	(344)
IFRS 9 Transitional Adjustment	86	-	111	-
Others	3	3	(8)	(8)
Common Equity Tier 1 Capital	1,731	1,478	1,768	1,456

*The 2019 Interim Profit is reflected in the Group's capital ratios calculations. The application for the inclusion of the Interim Profit in the regulatory capital metrics is being sought under Article 26 (2) of the CRR.

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

Notes
