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Group Holdings plc

Investor Presentation – AT1

November 2020

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i. it is not a retail client (as defined in MiFID II);
ii. whether or not it is subject to the Regulations, it will not:
    a) sell or offer the Securities (or any beneficial interest therein) to retail clients (as defined in MiFID II); or
    b) communicate (including the distribution of the Listing Particulars) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to, or disseminated in such a way that it is likely to be received by, a retail client (as defined in MiFID II) and in selling or offering Securities or making or approving communications relating to the Securities, it may not rely on the limited exemptions set out in the PI Instrument; and

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iii. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), including (without limitation) MiFID II and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) by investors in any relevant jurisdiction.

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ii. no key information document (KID) under PRIIPs has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under PRIIPs.

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Executive Summary

Transaction Summary

- EUR Fixed Rate Reset Additional Tier 1 Securities
- Issued by PTSB Group Holdings plc (“PTSB”), in line with group structure and Single Point of Entry (SPE) resolution strategy
- Target €125m size
- 7.0% CET1 ratio trigger
- Temporary Write Down loss absorption
- Semi-annual, discretionary, non-cumulative coupons
- Par call exercisable at any time during the 6 month period up to and including the First Reset Date and at every interest payment date thereafter
- Expected issue rating: B1 by Moody’s

Issuance Rationale

- PTSB is committed to optimising its capital structure and fulfilling its current and future capital and resolution requirements
    - Optimise PTSB’s existing capital structure by contributing to fulfil AT1 requirements
    - The transaction will form part of PTSB’s ongoing capital management
    - Further strengthen key financial metrics, including the leverage ratio
    - Contribute to meeting future MREL requirements
    - Increase PTSB’s financial flexibility and further diversify funding sources and investor base

Investment Thesis

- Domestically focused retail and SME bank
- Strongly capitalised with resilient buffers
    - CET1 buffer to trigger of 12.2% (PF Q3 2020 transitional)
    - CET1 headroom to MDA of 10.3% (PF Q3 2020 transitional)*
    - Ample Distributable Items in excess of €0.4bn
- Recent Buy-to-Let (“BTL”) Loan Sale improved H1 CET1 ratio by c. 190 bps (Fully loaded: c. 150 bps)
- Strong liquidity position, diversified sources of funding and smooth maturity profile
    - LCR 208%, NSFR 142% and LDR 87% (1H20)

*Assumes AT1/Tier 2 buckets are filled

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Domestically Focused Retail And SME Bank

Business Overview

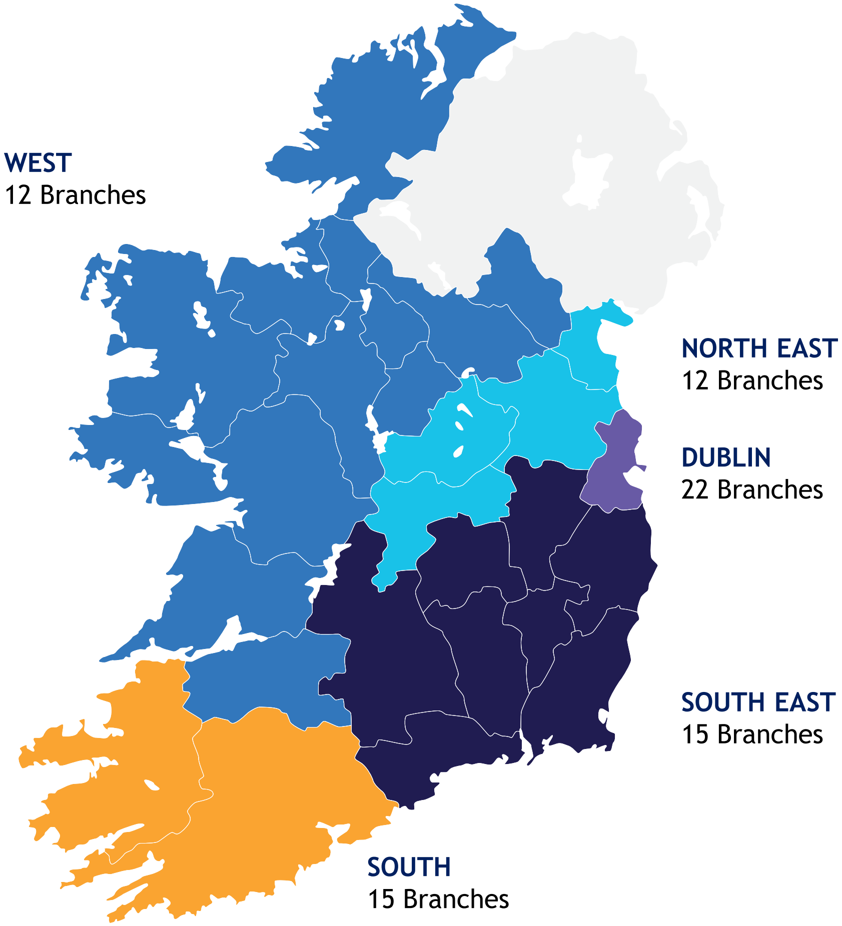
Business

€15bn	€5.4bn	€10.5bn
Performing Loan Book	Current Account Balances	Retail Deposit Balances

Market Share

15.2%	12.2%	11.0%
Residential Mortgage Balances[1]	Current Account Balances[2]	Retail Deposit Balances[2]

Our Physical Landscape



1. % Market Share of Stock of Mortgages as at June 2020. Source: Banking Payments Federation of Ireland.
2. Data based on balances as at May 2020. Source: Central Bank Statistics.

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Rebuilding Permanent TSB Over The Last 7 years

2012-2014

- State Capitalisation
- Irish Life Sale
- New Management Team
- Restructuring Plan Development
- ECB Stress Test Fail
- Funding Position Stabilised

2015-2017

- Restructuring Plan Approved
- Significant Non-Core Deleveraging
- Capital Raise Through a Re-IPO
- State Ownership Reduced To 75%
- Return To Profitability

2018 - 2020

- > €1.0bn of New Lending Per Annum (1.5bn in 2018-2019)
- Mortgage Market Share Recovered to c. 15%
- NPL % Reduced To c.7.7%
- TRIM Exercise Completed
- Tracker Mortgage Examination Investigation Is Now Complete
- ECB Funding reduced to Zero
- Focus shifts to growth

We have completed the rebuilding of the Bank so we can now focus on profitable growth

2011 – 2019 Transformation Journey

	€bn / %	Year	2019
• LDR	227%	2011	91%[1]
• System Funding	€19.5bn / 39%	2011	Zero
• Total New Lending	€0.1bn	2012	c.€1.7 bn
• Mortgage Market Share	c. 2%	2012	c. 15.5%[2]
• Financial Loss / Profit	Loss €1bn	2012	Profit €42m[3]
• NIM	0.72%	2013	1.80%
• NPL	€8.6bn / 28%	2013	€1.1bn / 6.4%
• Perf. Loans Not Paying Full C&I	42%	2013	16%
• CET1	11.3%	2013	15.0%
• EU Restructuring Plan	Entered	2015	Exited
• Moody's Senior Unsecured Rating	Caa1 (Junk)	2015	Baa2 (IG)

1. Based on IFRS 16 as at 31 December 2019
2. BPFI data at 31 December 2019
3. Profit = Profit Before Tax

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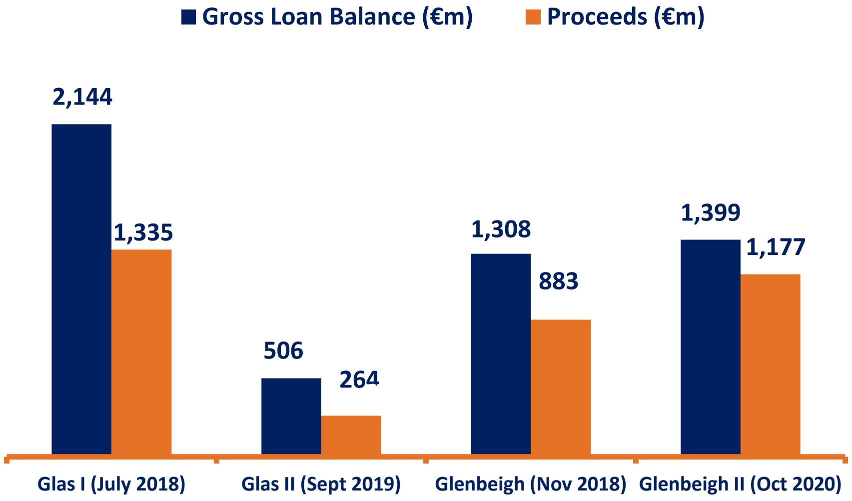
Group Deleveraging Transactions (2018-2020)

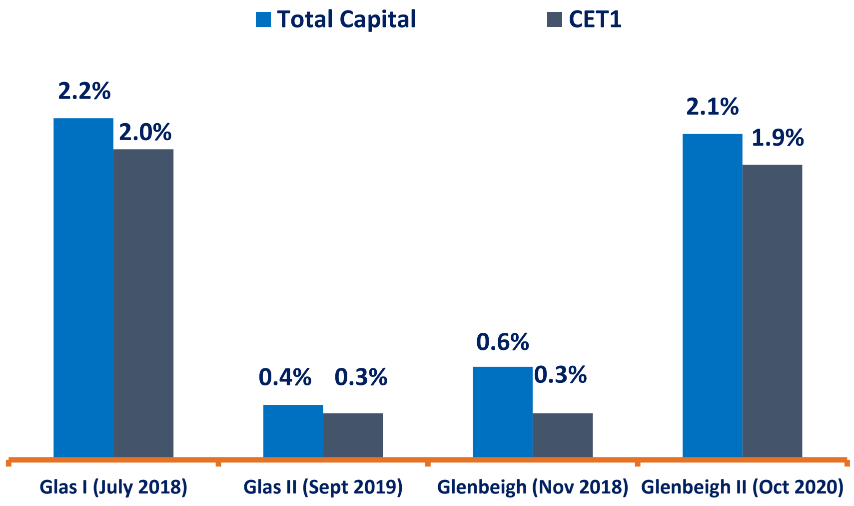
Capital Generation Across All Transactions

Deleveraging Transactions



- Since 2018, PTSB has deleveraged c.€5.4bn of non-performing, re-performing and performing loans across four transactions.
- PTSB has received proceeds of c.€3.7bn relating to deleveraging activity, allowing the Bank to repay outstanding ECB funding.
- The quality of the overall asset book has improved as a result, with the NPL ratio improving significantly from 26% as at December 2017 to 7.7% in 2020 (post-Glenbeigh II).

Capital Impact (Transitional)



- PTSB's deleveraging activity has generated additional capital across all four transactions.
- The Bank's capital level and related balance sheet strength has increased since the end of 2017 as a result.
- Overall, the Total Capital Ratio has improved from 18.4% as at December 2017 (on a transitional basis) to 20.8% following the completion of Glenbeigh II.
- The Bank's CET1 ratio has improved from 17.1% as at December 2017 (on a transitional basis) to 19.2% following the completion of Glenbeigh II.

Driving Sustainable Performance

Strong Ambition, Purpose And Priorities

Our Ambition

To Be Ireland's Best Personal And Small Business Bank

Our Purpose

To Work Hard Every Day to Build Trust with Our Customers – We are a Community Serving the Community

Our Priorities

Customers	Transform	Profitability

Customers
Build Trust, Advocacy & Loyalty

Digital
Enhance Digital Capabilities

Culture
Embed an Open and Inclusive Risk Aware Culture

Simplification
Simplify our Business

Profitability
Grow Sustainable Profits

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Customers

Build Trust And Loyalty With Our Customers

Enhance Customer Journeys	Leverage Digital Capabilities	Re-Position Our Brand

Delivering On Our Priorities

- **Mortgage Pricing**
  - Realigned Fixed Rates for New and Existing Mortgage Customers
  - Reduction to Mortgage Variable Rates
- **Partnership with Ó Cualann Cohousing – Approved Housing Body**
  - €350k Donation Over 3 Year period
  - Supporting the Development of 1,800 Affordable Homes Across Ireland
- **Further Developing The Customer Digital Journey**
  - >47 Million Successful Log-Ins Online, 30% Increase Year On Year
  - >650k Active Online Customers, 8% Increase Year On Year
  - 94% of Term Loans Applied For Through Direct Channels
- **Relationship NPS[1] - 1st in the Market**
  - Increased from +3 to +14 in H1’20. Customer Care and Relevance being the Positive Drivers
- **Trust Score[2] – We Continue To Build Trust With Our Customers**
  - NPS score up 10 points since Dec 19

Medium Term Outcomes

- **Significant Improvement In Customer Satisfaction, Trust, and Loyalty**
- **Clear No.3 Mortgage Provider in Ireland**
- **Strong Intermediary Relationships**
- **Be the Best Bank for Small Businesses in Ireland**
- **Simple, Digitally Enabled Customer Journeys**
- **Re-Positioned Brand**

1. Relationship 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, June 2020.
2. Trust Score H1’20 refers to the proportion of main bank customers who would endorse their bank as being “Trustworthy” - Source Red C research commissioned by the Bank, June 2020.

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Transform

Build A Sustainable Future For The Bank

Digital Development	Business Model Simplification	Embed Our Values

Delivering On Our Priorities	Medium Term Outcomes

- **Digital Development And Simplification - Better Customer Experience**
  - Increased Flexibility and Process Improvements
  - 72 Hours to Mortgage Decision
  - Term Loans (Instant Approval), Credit Cards (Online)
  - Prioritisation of Direct & Digital Mortgage Channel
  - 12 Month Mortgage Approval in Principle (H2‘20)
  - Digital Current Account Onboarding (6 Minutes Opening Time) and Overdrafts Online (H2’20)
  - Mobile Payment Capability (H2’20)
- **Supporting Small Businesses**
  - Participation in SBCI Government Backed Funding to Small Businesses
  - Accelerate our Digital Agenda to Support Business Banking Customer Journeys
- **Embedding Our Values**
  - Launched a New Purpose Centred On Rebuilding Trust
  - Employee Net Promoter Score of +13
  - Positive Customer Focused Culture – 98% of colleagues believe we are doing the right thing for our customers

- **Strengthened Culture**
  - A Diverse, Inclusive And Risk Aware Culture
- **A Streamlined Organisation**
  - Effective Organisational Design
  - Delivering Capability & Efficiency
  - Reduce Product and Process Complexity Over Time
- **Grow Quality Earnings**
  - Growth in Mortgage, Consumer And SME Loan Books
- **Direct Banking Propositions**

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Profitability

Growth, Efficiency And Sustainable Returns

Grow Diversified Income Streams	Efficient Organisation	Capital And Resource Allocation

Delivering On Our Priorities		Medium Term Outcomes
Growth	• Mortgage Market Share 15.2% • Operating Income €23m, NIM 1.75%	• Revenue Growth Through Diversified Income Streams
Efficiency	• Net Fee Income c. 9% Of Total Income • Total Operating Expenses[1] Reduced by €3m or 2% YoY	• Competitive Commercial Pricing Within The Banks Risk Appetite • Drive Efficiencies, Transform The Cost Base - Absolute Cost Base Declining Year On Year
Returns	• Impairment Charge of €75m • CET1% (Fully Loaded) 13.9%	• Strategic Allocation Of Capital

1. Operating Expenses are Total Operating Expenses excluding Bank Levy, Regulatory Charges and Exceptional Items

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AT1 Transaction Summary

Investment Thesis

Sound Business Model	• Domestically focused retail and SME bank • Completed rebuilding of the bank • Focus on profitable growth going forward

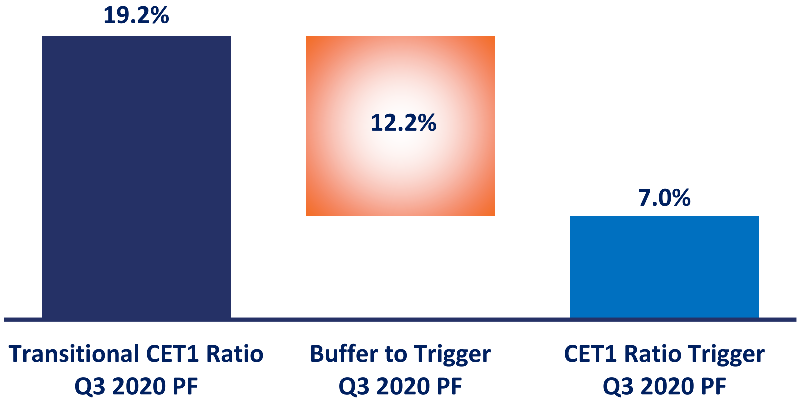
De-risked Balance Sheet	• Sale of €1.4bn (gross) BTL portfolio announced on 27 October
	  • Net book value of c. €1.2bn and an overall risk weight intensity of c. 80%
	  • Improved H1 CET1 ratio by c. 190 bps (Fully loaded: c. 150 bps)

Robust Capital Position	• Robust CET1 capital position of 19.2% transitional as at Q3 2020 pro-forma for the BTL Loan Sale • Resulting buffer to trigger of 12.2% (PF Q3 2020 transitional) • CET1 target of 13%, well in excess of minimum requirements of 8.9%
Low Coupon Risk	• Strong MDA buffer of 10.3% (PF Q3 2020 transitional)* • Ample Distributable Items capacity in excess of €0.4bn on a solo basis as at 1H20 • Equivalent to c. 35-40x the annual coupon on PTSB's existing AT1 (for illustrative purposes only) • Management intention to respect creditor hierarchy
Extension Risk	• Track record of expanding market footprint and diversifying funding sources • Remaining capacity in AT1 and Tier 2 buckets

*Assumes AT1/Tier 2 buckets are filled

Strong Capital Position and Buffers

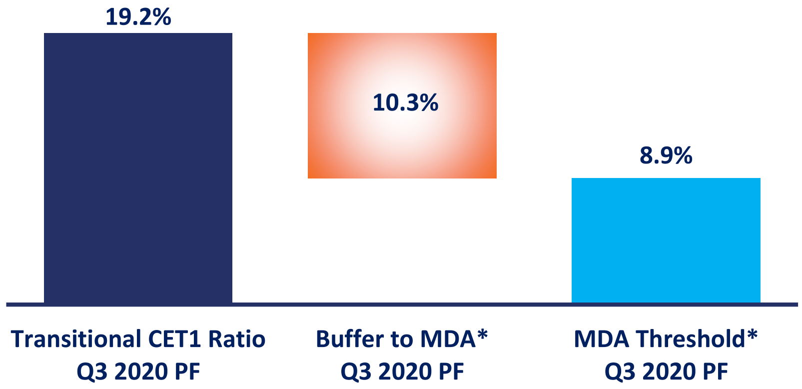
Principal Write-Down Risk – Buffer to Trigger



- Robust capital position with 19.2% PF CET1 transitional ratio (15.7% PF CET1 fully loaded) at Q3 2020
- Temporary write-down loss absorption mechanism with 7.0% CET1 ratio trigger level
- Comfortable buffer to trigger of PF 12.2% RWA based as at Q3 2020
- CET1 target of 13%, well in excess of requirements

Coupon Risk – Buffer to MDA

- Healthy PF 10.3% buffer to MDA as at Q3 2020 transitional, assuming AT1/ Tier 2 buckets filled
    - 6.8% buffer to MDA as at Q3 2020 fully loaded assuming AT1/ Tier 2 buckets filled
- Over time PTSB intends to optimise its capital structure
- Distributable Items of €0.4bn as at 1H20 well in excess of expected distributions
    - Equivalent to c. 35-40x the annual coupon on PTSB's existing AT1 (for illustrative purposes only)



*Assumes AT1/Tier 2 buckets are filled

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Summary AT1 Term Sheet

Issuer	✓ Permanent TSB Group Holdings plc
Description	✓ Fixed Rate Reset Additional Tier 1 Perpetual Contingent Temporary Write Down Securities (the “Securities”)
Ranking	✓ Direct, unsecured, unguaranteed and deeply subordinated obligations of the Issuer and rank pari passu, without any preference, among themselves and with other pari passu instruments, ahead of all other classes of issued shares of the Issuer, but ranking junior to the claims of Senior Creditors
Exp. Issue Ratings	✓ B1 by Moody’s
Currency / Size	✓ EUR 125 million
Maturity	✓ Perpetual Non-Call
Optional Redemption	✓ The Issuer may, in its sole and full discretion but subject to conditions (including Supervisory Permission)redeem all (but not some only) of the Securities on (i) any day falling in the period commencing on (and including) the date six months prior to the First Reset Date ([●] May 2026) and ending on (and including) the First Reset Date or (ii) on any Interest Payment Date thereafter
Interest	✓ Fixed [●]% until First Reset Date, payable semi-annually in arrear on [●] November and [●] May in each year beginning on [●] May 2021 ✓ Thereafter resets every 5 years to a rate equal to the sum of the then prevailing 5-year EUR mid-swap rate (subject to any Benchmark Event) + the margin (no step-up) (with such sum converted from an annual to a semi-annual basis)
Interest Cancellation	✓ The Issuer may elect at its sole and full discretion to cancel (in whole or in part) any interest payment on any Interest Payment Date ✓ Mandatory cancellation upon insolvency of the Issuer, insufficient Distributable Items, the occurrence of a Trigger Event, or any Maximum Distributable Amount restrictions ✓ Any cancellation of interest is non-cumulative and will not constitute a default
Write Down	✓ If, at any time, PTSB Group Holdings plc or the Supervisory Authority determines that the CET1 Ratio of the Group has fallen below 7.0%, the then Prevailing Principal Amount of each Security shall be automatically and irrevocably reduced by the Write Down Amount necessary to restore the CET1 ratio to 7.0%
Write Up	✓ To the extent permitted by Regulatory Capital Requirements and subject to any Maximum Distributable Amount, the Issuer shall have full discretion to reinstate any portion of any Written Down Security, which has been Written Down and which has not previously been Written Up, on a pro rata basis with all Written Down Additional Tier 1 Instruments (if any), and subject to certain conditions including the Maximum Write Up Amount
Special Event Redemption	✓ Subject to certain conditions (including Supervisory Permission),in whole (but not in part), upon the occurrence of a Tax Event (Additional Amounts and Deductibility) or Capital Disqualification Event (partial or whole), at par
Substitution / Variation	✓ Subject to certain conditions (including Supervisory Permission), upon the occurrence of a Tax Event (Additional Amounts and Deductibility) or Capital Disqualification Event, the Issuer may substitute or vary the terms of the Securities (all but not some only) so that they remain, or as appropriate become, Compliant Securities subject to certain requirements, including having terms not being materially less favourable to an investor than the terms of the Securities
Bail-In	✓ Statutory Irish Loss Absorption Powers
Governing Law	✓ Laws of Ireland
Listing / Denomination	✓ Euronext Dublin – GEM / €200k + 1k

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Challenging Business Environment - Impacted By Covid-19
2020 Highlights

Covid - 19	**c.1k** Active Payment Breaks[1]	• Active # of accounts down to c.10% of the total number of payment breaks offered (10.7k) • Majority of customers have resumed capital and interest payments • Value of active payment breaks currently €160m, down from peak of €1.6bn
Commerical	**15%**[2] Mortgage Market Share	• Total New Lending of €0.9bn, down 23% YoY • Introduction of an improved mortgage proposition in July • Q3 lending performance saw new lending increasing c.30% quarter on quarter
Financial	**H1 €57m** Loss Before Tax	• Operating Profit[3] of €23m | Net Interest Margin 1.75% • Operating Expenses[4] of €142m, down 2% YoY | Regulatory Charges of €20m • Expected Credit Loss of €75m – Reflecting the Current Macro Economic Environment
Asset Quality	**6.8%** NPL Ratio	• NPL balance of €1.1bn | Lowest in the market |Provision Coverage Ratio Remains Appropriate • Ratio to increase to 7.7% due to sale of performing loans • Medium Term Commitment to Mid Single Digit Ratio
Capital	**Q3 14.3%** CET1 Fully Loaded	• CET1 Ratio (Fully Loaded) of 14.3% | CET1 Ratio (Transitional) of 17.3% • Glenbeigh II transaction will add 1.5%/1.9% to these ratios in Q4 • Increase in Q3 due to lower RWAs arising from Payment Breaks expiring • All Ratios remain above Management and Regulatory minimum

1. Payment Break data as of 31st October
2. BPFI data at 30 September 2020.
3. Operating Profit is Profit after Operating Expenses and Regulatory Charges before Impairment.
4. Operating Expenses excluding Covid-19 Costs, Bank Levy, Regulatory Charges and Exceptional Items.

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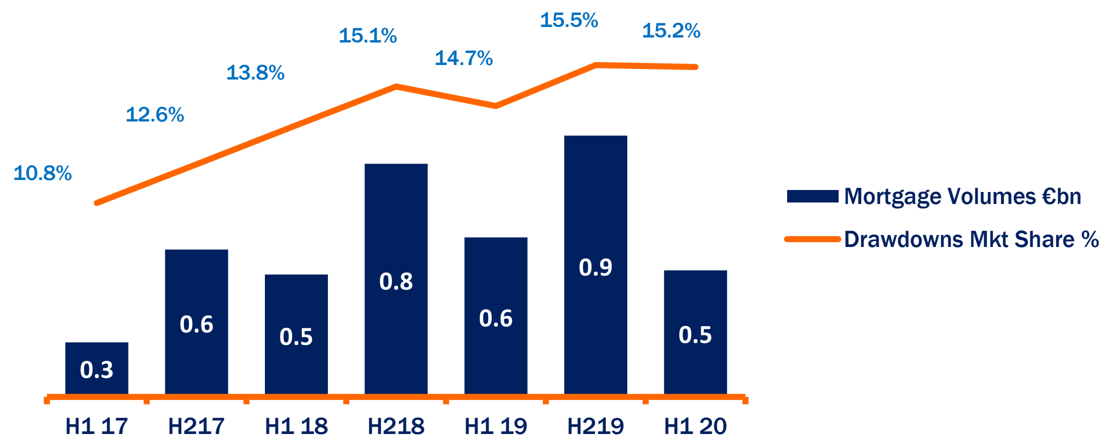
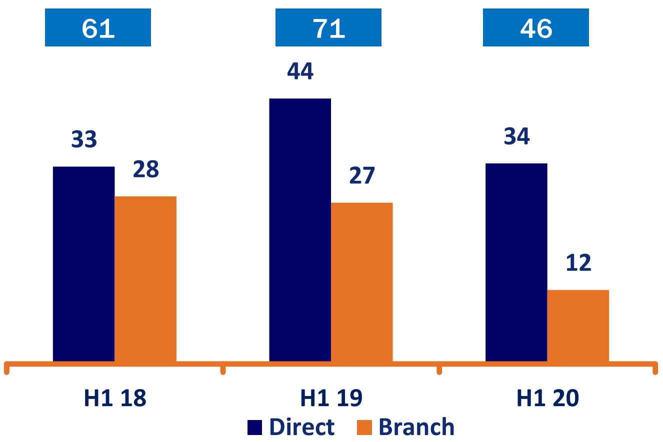
Total New Lending Reduced By 16% YoY
Mortgage Market Share Remained Strong

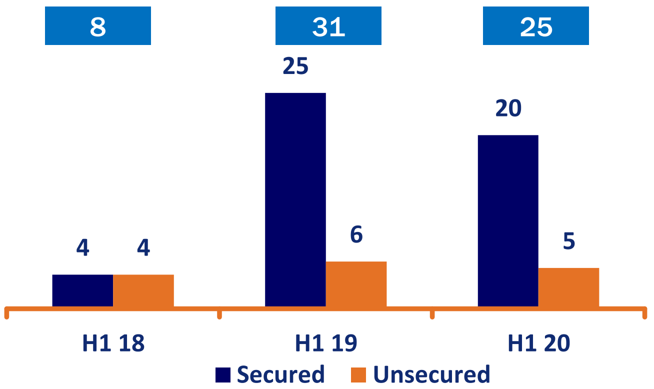
Mortgage New Lending Volumes And Market Share



Personal Term Lending[2]



SME Lending



- Market Share of Mortgage Drawdowns remained strong at 15.2%
- Taking action on pricing:
  - Competitive 2 & 5 Year Rates for New Business >€250k
  - Fixed rates for existing and new customers aligned
  - SVR reducing by 55bps; MVR reducing by 10-35bps (depending on LTV)
- Fixed Rate Products Account for c.95% of New Mortgage Business
- c.50% of New Mortgage Business in H1'20 is to First Time Buyers
- Average LTV of New Mortgage Lending in H1'20 was 76%

1. Source: BPFI Data at June 2020
2. Direct Channels include Online and Voice

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Covid–19 Response

Supporting Our Customers, Colleagues And Communities

Customer Support

Payment Breaks[1] Approved
- c.10.5k Mortgage Payment Breaks, €1.6bn in Value

Online portal
- Facilitating Payment Breaks and SFS for Customers

€1m Cashback to Customers
- **€5 Back On GoRewards Programme[1]**
- **Unlimited 10c Cashback** on Explore Current Account debit card transactions (Q2'20)
- **2% + 2% Cashback on Mortgages**

€50 Contactless Payment Limit
- An increase of €20 per transaction
- 40 million contactless payments
- 92% customers are using contactless payments over cash, 60% reduction in over the counter cash in Q2'20

Seamless Business Continuity – All Locations Remained Open Throughout the Lockdown

Branches
- All 76 Branches Remain Open
- Invested In PPE, Social Distancing & Hygiene Measures
- Prioritised In Branch Banking Hours For Elderly And Vulnerable Customers

Direct Banking
- Contact Centers Remain Fully Operational
- 4 New Regional Centers
- 72% of Customers are now choosing to Bank using Online Channels
- 42% Increase in Mobile App Log-Ins

Colleagues
- 1,200 colleagues working remotely
- 800 Additional Remote Working Licenses Issued
- 150 communications since the beginning of the crisis
- Emergency Customer Support Allowance For Customer Facing Roles

Relationship NPS[2] Increased From +3 to +14, Clear No. 1 In The Market

1. Payment Breaks implemented on both Mortgage and Term Loan products, GoRewards Programme ran in April and May 2020 for all Explore Current Account Customers
2. Relationship 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, June 2020

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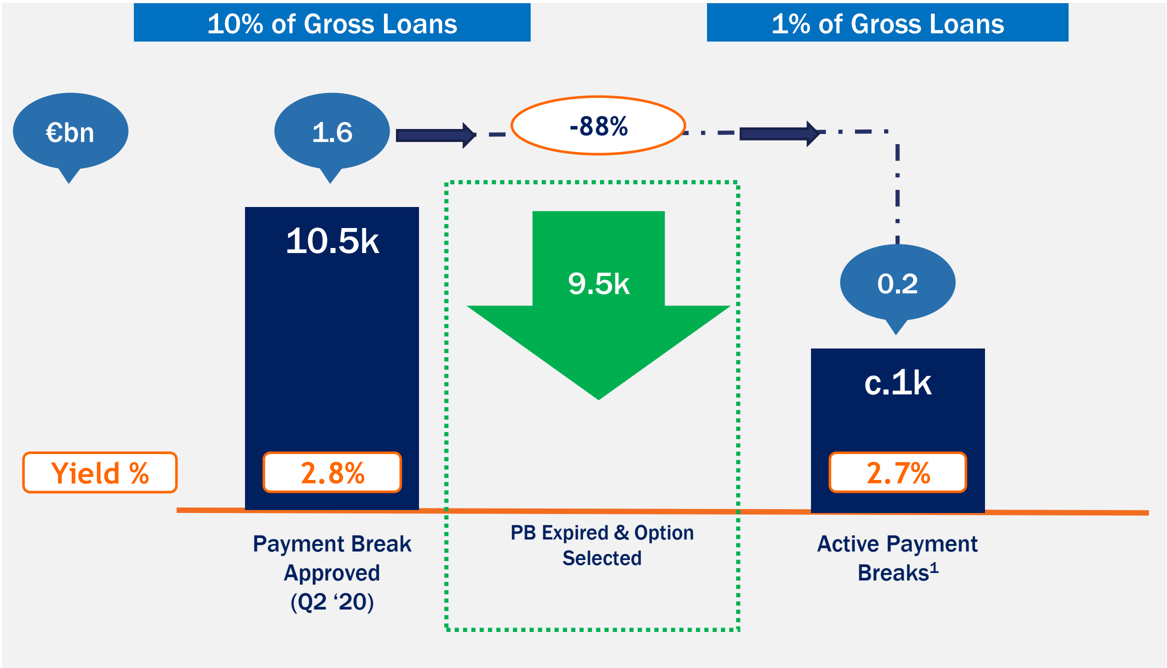
Covid-19 Mortgage Payment Breaks

Reduced By c.90%[1] By End October 2020



- **10.5k Payment Breaks - Classified as Performing Residential Mortgages**
  - Average Mortgage Size of c.€152k
  - Average Loan To Value (LTV) of 71%
  - Average Yield of 2.80%
  - c.50% of Payment Breaks are Tracker Mortgages
  - The Net Impairment Charge at Jun 20 Takes a Prudent Approach to Provisioning

At End Oct'20:

- **9.5k Expired Payment Breaks**
  - 47% availed of Payment Break 2
  - 53% did not require a Payment Break 2
  - c.1k Active Payment Breaks, Average Yield 2.7%

1. Most recent data on Payment Breaks at 30 October 2020.

Agenda

Income Statement

Covid-19 Pandemic Has Material Impact On Profitability

	H1 20 €m	H1 19 €m	YoY €m	YoY %
NII	171	181	(10)	-6%
Fees & Commissions	16	17	(1)	-6%
Net Other Income	(2)	12	(14)	-117%
Operating Income	**185**	**210**	**(25)**	**-12%**
Operating Expenses[1]	(142)	(145)	3	-2%
Regulatory Charges	(20)	(18)	(2)	-11%
Operating Profit	**23**	**47**	**(24)**	**-51%**
Impairment Charge	(75)	(5)	(70)	-
Profit / (Loss) Before Exceptional Items & Tax	**(52)**	**42**	**(94)**	**-**
Exceptional Items (Net)[1]	(5)	(14)	9	-64%
Profit / (Loss) Before Tax	**(57)**	**28**	**(85)**	**-**

H1 20 Vs H1 19

- 6% reduction in **NII** primarily due to lower income from Treasury Assets (€11m) and NPLs (€5m) offset by lower funding costs.

- **Fees & Commissions** lower due to the reduced transactional activity as a result of the impact of Covid-19 on quarter two banking activity.

- **Net Other Income** - Prior year €12m, primarily from gains on the disposal of Properties In Possession, no gains from disposals of properties in possession in 2020.

- **Operating Expenses** are 2% lower as efficiency savings offset Investment and Inflationary pressures. The Bank continues to maintain good cost discipline.

- A material **Impairment Charge** of €75m reflecting the revision of the current macroeconomic factors and impact from Covid-19 payment breaks.

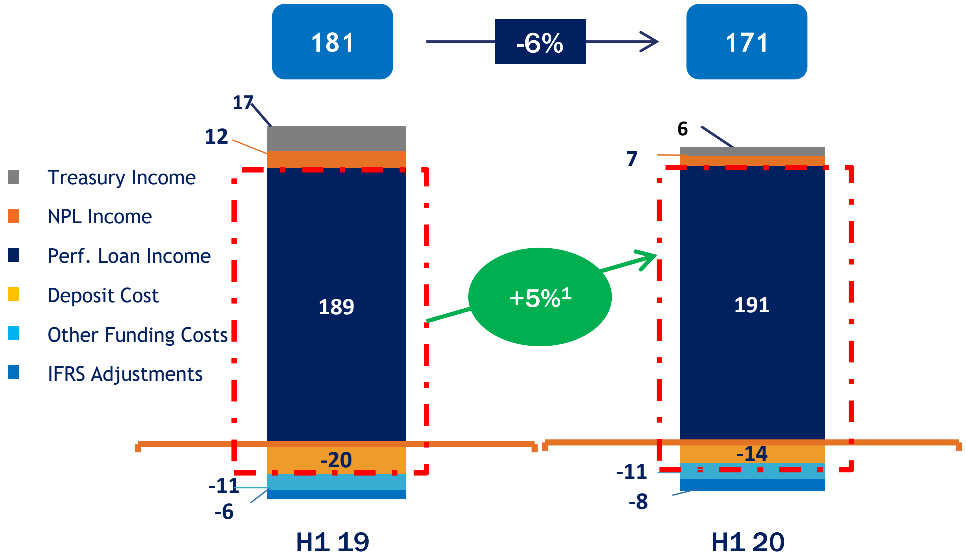
- **Exceptional Items** primarily relate to costs incurred due to Covid-19 (€4m) and Restructuring and Other Costs (€1m).

1. For the purpose of comparing underlying movements, we have included Covid-19 related expenses, for the six months to 30 June 2020, of €4m within Exceptional Items. In the six months to 30 June 2019, Exceptional Items (Net) included a €15m provision in relation to legacy Tracker Mortgage related expenses.

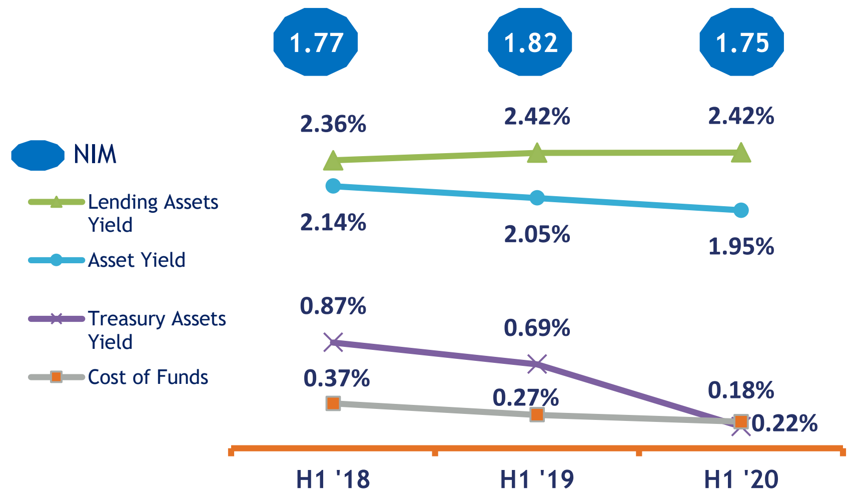
Lower Net Interest Income

NIM Declining, 7 Bps Lower Year-On-Year

Net Interest Income (€m)



Net Interest Margin (%)



- Net Lending Income[1] of €177m increased by 5% YoY primarily due to a reduction in the cost of Deposits
- Treasury Income lower by €11m due to continued maturity of legacy, high-yielding treasury assets. All such assets have now fully matured
- NPL income lower by €5m mainly due to deleveraging activity in H2 2019

- Lower YoY Cost of Funds primarily through continued active management of Deposit Costs, partially offset by MTN issuance in H2 19
- Reduction in Asset Yield due to the continued maturity of high yielding legacy treasury assets, cost of excess liquidity together with the price reductions to the Bank's Fixed Rate Mortgage products
- Lending Assets Yield remains above 2%
- NIM trajectory expected to reduce in H2 in 2020

1. Net Lending Income = Performing Loan Income - Deposit Cost

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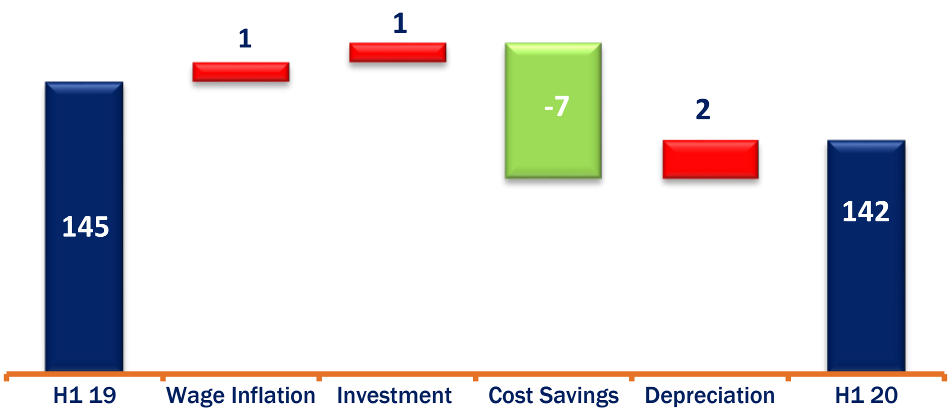
Operating Expenses[1] 2% Lower Year On Year

Strong Cost Discipline

Movement In Operating Expenses (€m)



€m	H1 20	H1 19	YoY €m	YoY %
Staff Costs	77	77	-	-
Non Staff Costs	46	51	-5	-10%
Addressable Costs[2]	123	128	-5	-4%
Depreciation & Amortisation[3]	19	17	+2	12%
Operating Expenses	142	145	-3	-2%
Regulatory Charges	20	18	+2	11%
Total Operating Expenses	162	163	-1	-1%
Cost Income Ratio[4]	77%	69%	-	
Average No. Staff	2,424	2,376	+48	+2%

- Operating Expenses (before Regulatory Charges) of €142m, reduced by €3m (2%) YoY, cost management remains a key focus of the Bank.
- The primary movements in Operating Expenses are:
  - Wage inflation of €1m, investment in business and technology programmes of €1m, partly offset by lower costs in contractors fees of €1m together with other cost saving initiatives and lower legal & professional fees of €6m
  - Depreciation & Amortisation increased by €2m YoY

Staff Numbers Increased by 2% YoY, as a result of investment in technology and business divisions, together with additional staff required in the Banks response to Covid-19.

Addressable Costs are expected to continue to reduce over the Medium Term as the Cost of Investment is funded from sustainable operational efficiencies within the Bank's cost base.

1. For the purpose of this presentation, in order to give a true comparison of the movement in Underlying Operating Expenses, the costs incurred in the Bank's response to Covid-19 have been included in Exceptional Items
2. Addressable Costs are Operating Costs before Depreciation & Amortisation and Regulatory Charges
3. IFRS 16 restatement of €4m in H1 2019 from Non Staff Costs to Depreciation & Amortisation, with a comparable €4m in H1 2020
4. Operating Expenses (excl. Regulatory Costs and Exceptional Items) divided by Total Operating Income

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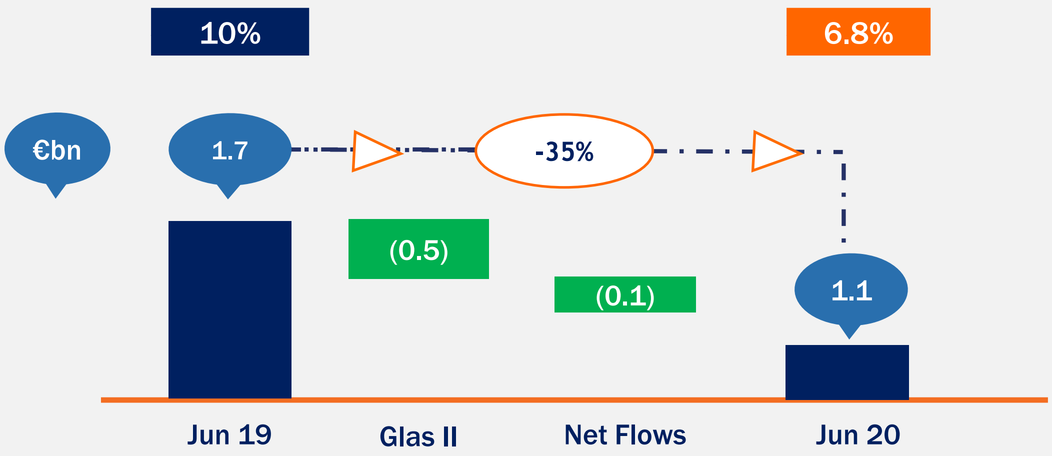
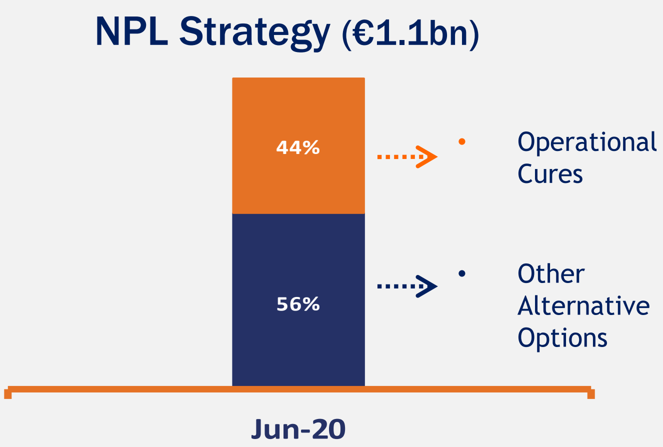
NPL Ratio 6.8%

Stable Since End Of 2019





Asset Quality / Coverage

Category	Balance (€bn)	ECL (€bn)	Coverage (%)
Stage 1 & 2	15.1	0.53	3.5%
Stage 3 (NPLs)	1.1	0.35	31.9%
Total	**16.2**	**0.88**	**5.4%**

- **Asset Quality Coverage remains appropriate, with Stage 3 Provision Coverage of c.32%**
- **SREP guidance remains, requirement of coverage levels for secured NPLs (over 7 years) of 40% from end 2020**
- **BTL loan sale will reduce Stage 2 Assets by c.€1.4bn and c.€200m associated ECL and increase NPL ratio to 7.7%**

- **Non Performing Loans of €1.1bn, 35% lower YoY**
- **Committed to Mid-Single Digit ratio;**
  - **44% of NPLs are Organic and / or Technical Cures on a path to cure over the next 12 - 18 months**
  - **The balance will be assessed using all alternative options while protecting capital**

Loan Book Profile
June 2020 versus December 2019

Jun 20 (€bn)	ROI HL	ROI BTL	CRE	Consumer	Total
Gross Loans	12.2	3.4	0.3	0.3	16.2
Performing Loans	11.6	3.0	0.2	0.3	15.1
NPLs	0.6	0.4	0.1	0.0	1.1
Provisions Stock	0.3	0.5	0.1	0.0	0.9
PCR %	41%	136%	108%	182%	80%

Dec 19 (€bn)	ROI HL	ROI BTL	CRE	Consumer	Total
Gross Loans	12.3	3.5	0.2	0.4	16.4
Performing Loans	11.6	3.2	0.2	0.3	15.3
NPLs	0.6	0.3	0.1	0.0	1.0
Provisions Stock	0.2	0.5	0.1	0.0	0.8
PCR %	38%	144%	89%	123%	78%

Note PCR% is calculated as the total portfolio provisions as a % of the NPL portfolio

Loan Book Arrears Performance

Jun 20 (€bn)	Dec 19	Jun 20
NPL Arrears Profile	**1.05**	**1.10**
No Arrears	0.72	0.77
0-30 days	0.01	0.00
31-60 days	0.01	0.00
61-90 days	0.01	0.01
91-180 days	0.03	0.04
181-360 days	0.04	0.05
> 360 days	0.24	0.23
Performing Loans	**15.34**	**15.12**
No Arrears	15.30	15.09
0-30 days	0.03	0.02
31-60 days	0.01	0.00
61-90 days	0.01	0.01
91-180 days	0.00	0.00
181-360 days	0.00	0.00
> 360 days	0.00	0.00
Total	**16.39**	**16.23**

2020 Outlook

Growth

- **New Lending** - c.70% of 2019 volumes (€1.7bn)
- **Net Interest Income** will be lower as the remaining higher yielding Treasury Assets mature
- **NIM** expected to reduce in H2 2020
- Continue to grow **Non Interest Income** as transactional activity recovers

Efficiency

- **Operating Expenses** will remain stable as we pay for investment and inflationary pressure through sustainable efficiency savings
- **NPLs -** will be managed efficiently, while protecting capital
- **Net Impairment Charge** - directly linked to the emerging macro-economic indicators and impact of payment breaks c. 70 bps Annualised in 2020
- **Balance Sheet Management** as we wait for revised MREL Target in 2021

Returns

- 2020 will be loss making as we prudently provide for the impact as a result of the Covid 19 Pandemic
- Minimum **Management CET1 Ratio** on a fully loaded basis **of > 13%**

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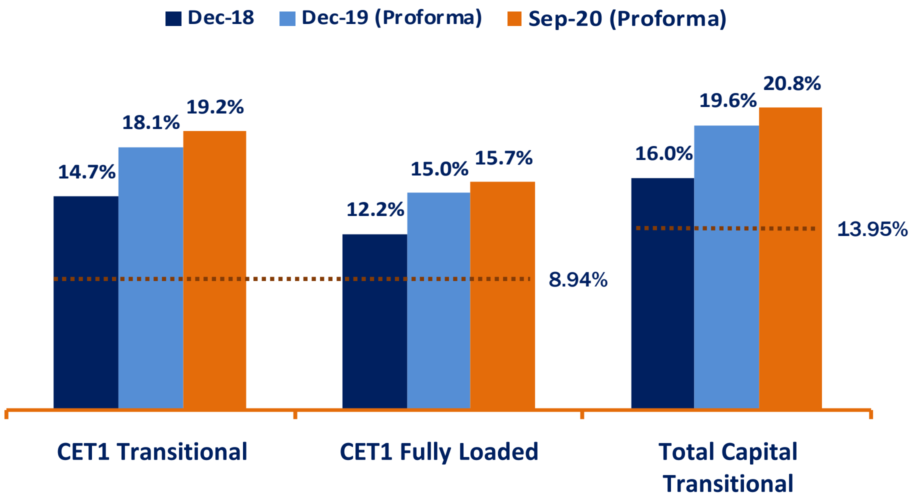
Capital Remains Above Regulatory Requirements

YTD Growth in Capital Ratios reflect the capital benefit of BTL Loan Disposal

Regulatory Capital Ratios



- September Capital Ratios are proforma and include the capital benefit of the recent BTL Loan Sale
- In response to the Covid-19 pandemic, the CBI have introduced measures which effectively reduced Regulatory Requirements (Transitional) from 11.45% to 8.94% CET1 and from 14.95% to 13.95% Total Capital
- Management CET1 (Fully Loaded) Long Term Target is c.13%

CET 1 Fully Loaded Ratio Movement

- **Year-to date growth in Fully Loaded CET1 ratio (proforma) is primarily due to:**
  - Completion of a €1.4bn BTL Loan Sale (+1.5%) which is partially offset by;
  - YTD impairment charge of €92m reflecting the revised macroeconomic outlook as a result of Covid-19; and
  - Intangibles / Software ~€25m YTD.
- **The Bank maintains robust Leverage Ratios with Tier 1 Capital (Fully Loaded) >7% and Tier 1 capital (Transitional) >8%**

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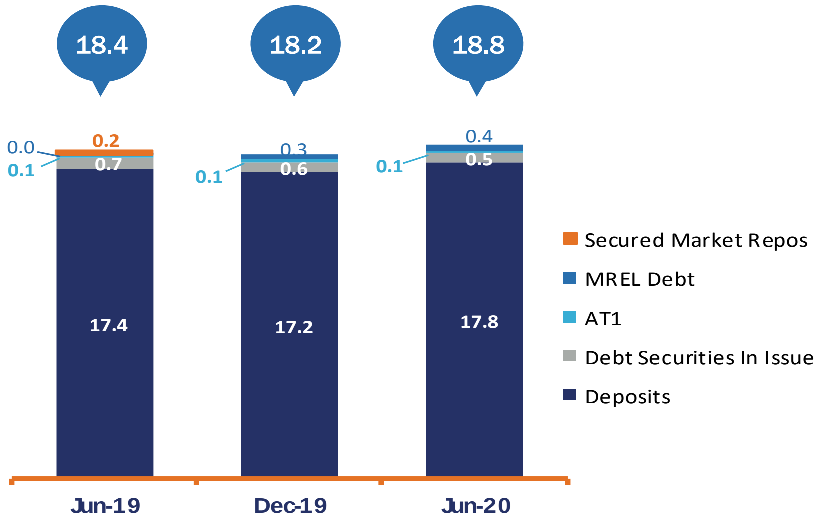
Strong Funding And Liquidity Position

Liquidity Coverage Ratio >200%

Total Funding (€18.8bn)



Liquidity And Funding Ratio

Ratio	Dec 19	Jun 20	Movement
LCR	170%	208%	+38%
NSFR	138%	142%	+4%
LDR	91%	87%	-4%
Encumbrance	6%	5%	-1%

- 95% funded by total Customer Deposits, 85% from Retail Deposits including Current Accounts
- The Central Bank of Ireland (CBI) has revised the Bank's current MREL requirements in order to reflect the reduction in the Counter Cyclical Buffer (CCyB) from 1% to 0% and has extended the transitional period to comply with this requirement by six months
- Confirmation of revised target with a new MREL decision is expected in early 2021 using the Bank Resolution and Recovery Directive 2 (BRRD2) framework
- Liquidity & Funding metrics further strengthened following the execution of the BTL loan sale in Q4 2020.

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Credit Ratings
External Credit Rating Agencies

Permanent TSB Group Holdings Plc	Standard & Poor's (S&P)	Moody's	DBRS
Long Term	BB-	Ba1	BB (High)
Short Term	B	NP	R-3
Outlook	Negative	Stable	Negative

Permanent TSB Plc	Standard & Poor's (S&P)	Moody's	DBRS
Long Term	BBB-	Baa2	BBB (Low)
Short Term	A-3	P-2	R-2
Outlook	Negative	Stable	Negative

Strong Momentum On Ratings With Further Upside Expected

	Moody's	Standard & Poor's Ratings Services
Current Ratings	• **Permanent TSB (OpCo Senior)** Baa2 / Stable Outlook • **Permanent TSB Group Holdings (HoldCo Senior):** Ba1 / Stable Outlook	• **Permanent TSB (OpCo Senior):** BBB- / Negative Outlook • **Permanent TSB Group Holdings (HoldCo Senior):** BB- / Negative Outlook

Ratings Milestones

Q2 2015	Q3 2016	Q1 2017	Q3 2017	Q4 2018	Q2 2019	Q4 2019 /	2020
• Moody's upgrades PTSB to 'B2' on 8th May 2015 • S&P upgrades PTSB to 'BB-' on 20th July 2015	• Moody's upgrades PTSB to 'B1' on 19th September 2016	• S&P upgrades PTSB to 'BB' on 13th January 2017	• S&P assigns a Positive outlook on 3rd August 2017 • Moody's upgrades PTSB to 'Ba3' on 25th August 2017	• Moody's upgrades PTSB to 'Ba2' on 4th October 2018 • S&P upgrades PTSB to 'BB+' on 17th December 2018	• Moody's upgrades PTSB by two notches to 'Baa3' on 1st April 2019, returning the Bank to Investment Grade. Positive Outlook maintained	• Moody's S&P and DBRS upgrade PTSB ratings to the current levels	• S&P and DBRS revise outlook to negative on deepening COVID-19 downside risks

- **The Bank's OpCo debt has returned to** Investment Grade
- **Over the medium-term, PTSB targets return of Permanent TSB Group Holdings to Investment Grade**
- **Continued progress on NPL reductions, business growth, along with Capital & MREL optimisation will support return to** Investment Grade

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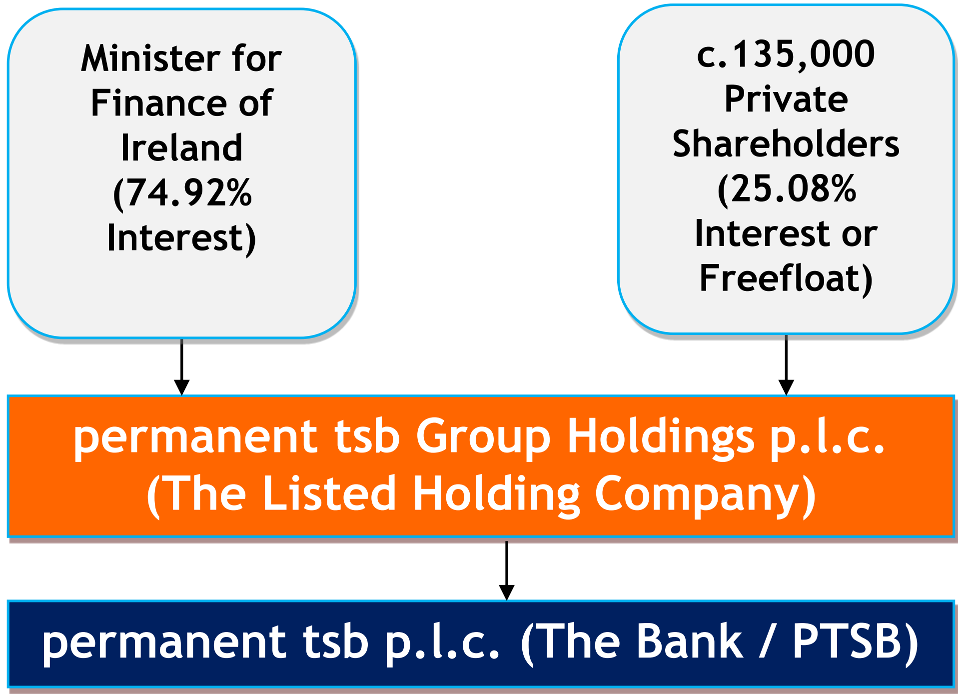
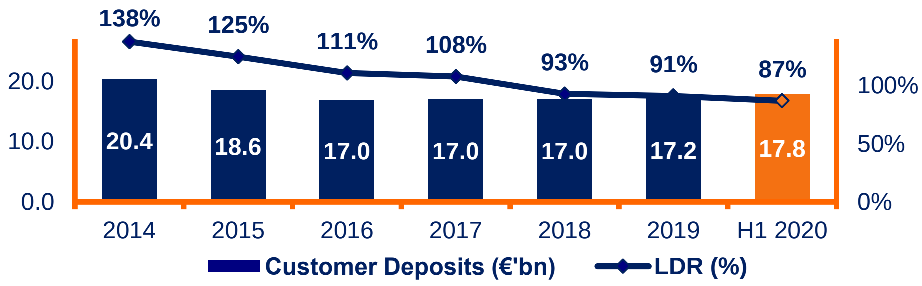
Simplified Group Structure Supports MREL & Capital Issuances From The Holding Company



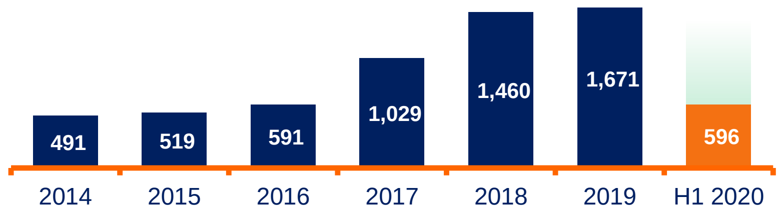
- PTSB will use a HoldCo Single Point of Entry (SPE) resolution strategy in line with its peers
    - Rated Holding Company in place for MREL & capital issuances

Progress Since Last AT1 Issuance (2015)

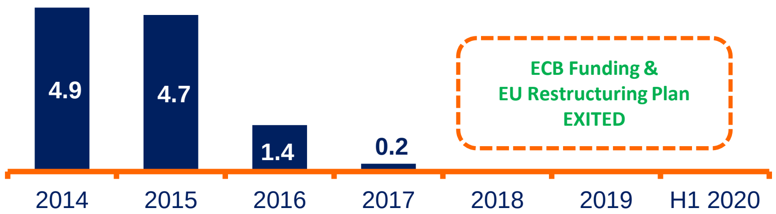
Customer Deposits (LHS) / LDR (RHS)



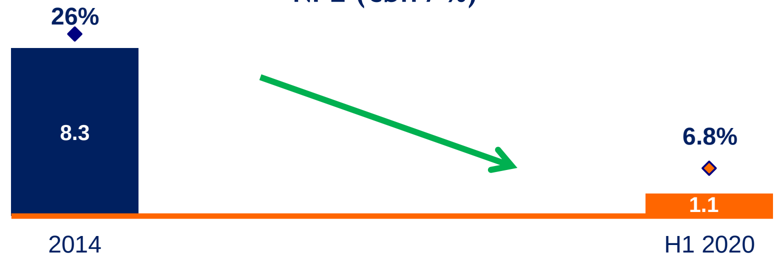
Gross New Lending (€m)



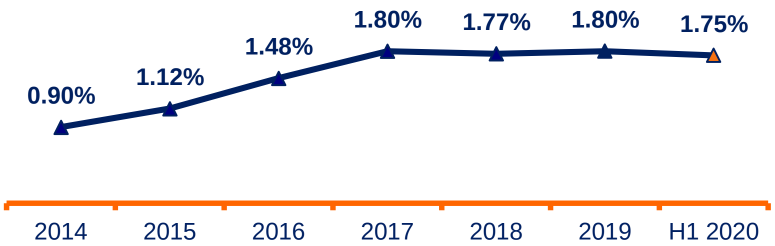
System Funding (€bn)



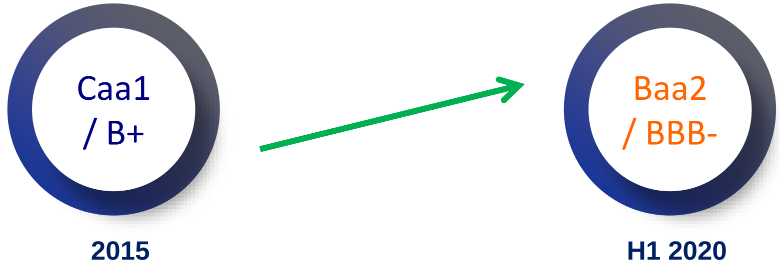
NPL (€bn / %)



NIM



PTSB Plc Senior Unsecured Credit Rating (Moody's / S&P)



Historical Financial Information – Income Statement

€m	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Net Interest Income	356	379	407	394	358
Other Income	58	63	38	71	34
ELG Fees	-	-	(2)	(4)	(14)
Total Operating Income	**414**	**442**	**443**	**461**	**378**
Total Operating Expenses (Before Exceptional Items	(330)	(331)	(329)	(341)	(317)
Pre-Impairment Profit / (Loss)	**84**	**111**	**114**	**120**	**61**
Impairment (Charge) / Write-Back	(10)	(17)	(49)	68	(35)
Profit / (Loss) Before Exceptional Items	**74**	**94**	**65**	**188**	**26**
Exceptional Items (Net)	(32)	(91)	(13)	(414)	(460)
Profit / (Loss) Before Tax	**42**	**3**	**52**	**(226)**	**(434)**

Key Metrics	**FY 2019**	**FY 2018**	**FY 2017**	**FY 2016**	**FY 2015**
Net Interest Margin	1.80%	1.78%	1.80%	1.48%	1.12%
Headline Cost Income Ratio [1]	80%	75%	74%	74%	84%

1. Cost Income Ratio is calculated as Operating Expenses (excl. Regulatory Charges and Exceptional Items) divided by Total Operating Income

Historical Financial Information – Balance Sheet

€bn	Dec 2019	Dec 2018	Dec 2017	Dec 2016	Dec 2015
Total Loan Book (net)	15.6	15.9	18.4	18.9	23.0
Treasury Assets	3.6	3.8	3.5	3.9	5.5
Other Assets	1.1	2.1	0.9	0.8	0.8
Total Assets	**20.3**	**21.8**	**22.8**	**23.6**	**29.3**
ROI Retail Deposits (Incl. Current Accounts)	15.0	14.8	14.3	13.6	14.0
Isle of Man Deposits	-	-	-	0.4	0.5
Corporate & Institutional	2.2	2.2	2.7	3.0	4.0
Total Customer Deposits	**17.2**	**17.0**	**17.0**	**17.0**	**18.5**
Wholesale Funding	0.9	2.6	3.3	2.8	3.1
ECB Funding	-	-	0.2	1.4	4.7
Other Liabilities	0.2	0.2	0.2	0.3	0.6
Total Liabilities	**18.3**	**19.8**	**20.7**	**21.5**	**26.9**
Total Equity (incl. AT1)	2.0	2.0	2.1	2.1	2.4
Total Equity and Liabilities	**20.3**	**21.8**	**22.8**	**23.6**	**29.3**
Key Metrics:					
NPLs	€1.1bn	€1.7bn	€5.3bn	€5.9bn	€6.6bn
LDR	91%	93%	108%	111%	125%
CET1 Ratio (Fully Loaded Basis)	14.6%	12.2%	15.0%	14.9%	15.0%

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Asset Quality

Loans and Advances to Customers Measured at Amortised Cost	30-Jun 2020 €m	31-Dec 2019 €m
Home Loans	12,231	12,260
Buy To Let	3,494	3,598
Total Residential Mortgages	15,725	15,858
SME / CRE	174	165
Consumer Finance	326	366
Total Measured at Amortised Cost	**16,225**	**16,389**
Analysed By ECL Staging		
Stage 1	9,777	10,999
Stage 2	5,346	4,340
Stage 3	1,100	1,048
POCI	2	2
Neither past due nor Stage 3	15,095	15,295
Past due but not stage 3	28	44
Stage 3	1,102	1,050
Loss Allowance - Statement of Financial Position	**16,225**	**16,389**
Stage 1	38	44
Stage 2	488	439
Stage 3	351	335
Total Loss Allowance	**877**	**818**

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NPLs and NPAs

30-Jun-20	Stage 3 Analysis Home Loan €m	Buy-To-Let €m	Commercial €m	Consumer Finance €m	Total €m
NPL is < 90 Days	443	315	25	1	784
NPL is > 90 Days and < 1 year past due	55	22	1	9	87
NPL is 1-2 years past due	28	6	-	1	35
NPL is 2-5 years past due	19	5	2	1	27
NPL is > 5 years past due	102	56	4	5	167
POCI	-	-	-	2	2
Non-performing loans	647	404	32	19	1,102
Foreclosed assets*	8	27	-	-	35
Non-performing assets	655	431	32	19	1,137
Gross Loans	12,231	3,494	174	326	16,225
NPLs as % of gross loans	5.3%	11.6%	18.4%	5.8%	6.8%

31-Dec-19	Stage 3 Analysis Home Loan €m	Buy-To-Let €m	Commercial €m	Consumer Finance €m	Total €m
NPL is < 90 Days	420	294	29	1	744
NPL is > 90 Days and < 1 year past due	46	12	-	7	65
NPL is 1-2 years past due	20	4	-	1	25
NPL is 2-5 years past due	19	8	4	2	33
NPL is > 5 years past due	109	59	8	5	181
POCI	-	-	-	2	2
Non-performing loans	614	377	41	18	1,050
Foreclosed assets*	13	45	-	-	58
Non-performing assets	627	422	41	18	1,108
Gross Loans	12,260	3,598	165	366	16,389
NPLs as % of gross loans	5.0%	10.5%	24.8%	4.9%	6.4%

* 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 20 Transitional €m	30 June 20 Fully Loaded €m	31 Dec 19 Transitional €m	31 Dec 19 Fully Loaded €m
Risk Weighted Assets	9,983	9,970	10,012	9,996
Capital Resources:				
Common equity tier 1	1,646	1,385	1,765	1,464
Additional Tier 1[1]	79	96	85	103
Tier 1 Capital	1,725	1,481	1,850	1,567
Tier 2 Capital	66	66	61	61
Total Capital	1,791	1,547	1.911	1,628
Capital Ratios:				
Common Equity Tier 1 Capital	16.5%	13.9%	17.6%	14.6%
Tier 1 Capital	17.3%	14.9%	18.5%	15.7%
Total Capital	17.9%	15.5%	19.1%	16.3%
Leverage Ratio[2]	8.3%	7.2%	9.1%	7.8%

	30 June 20 Transitional €m	30 June 20 Fully Loaded €m	31 Dec 19 Transitional €m	31 Dec 19 Fully Loaded €m
Total Equity	1,932	1,932	1,997	1,997
Less: AT1 Capital	(122)	(122)	(122)	(122)
Adjusted Capital	1,810	1,810	1,875	1,875
Prudential Filters:				
Intangible Assets	(77)	(77)	(66)	(66)
Deferred Tax	(214)	(334)	(170)	(337)
IFRS 9 Transitional Adjustment[3]	131	-	134	-
Others	(4)	(4)	(8)	(8)
Common Equity Tier 1 Capital	1,646	1,385	1,765	1,464

1. The amount of Additional Tier 1 (AT1) Capital and Tier 2 instruments included within the consolidated capital of the holding company is restricted within the limits laid down under the CRR. Effective 1 January 2018, these restrictions are now fully phased in.
2. The leverage ratio is calculated by dividing Tier 1 Capital by gross balance sheet exposure (total assets and off-balance sheet exposures).
3. The CET1 transitional impact to the Group as a result of EU Regulation 2017/2395 mitigating the impact of the introduction of IRFS IFRS 9 own funds and applies to both the static day 1 addback and the dynamic addback for increases in stage 1 & 2 provisions (net of expected loss).

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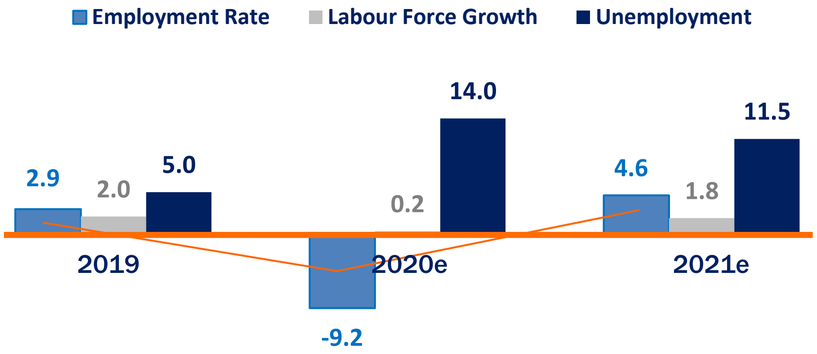
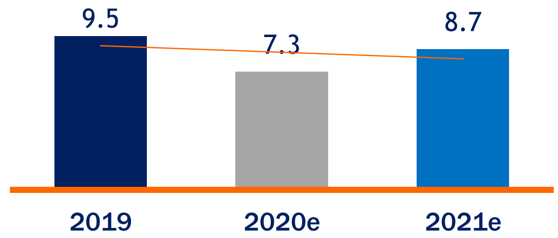
Irish Economy Impacted By Worldwide Pandemic

Signs Of Recovery With A Strategy Of Phased Reopening

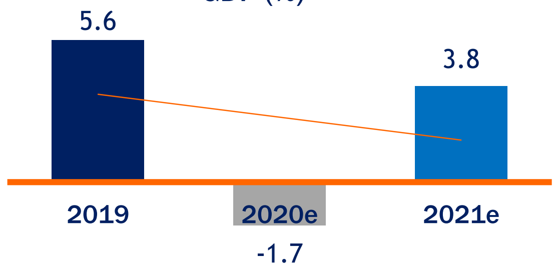
Labour Market (%)



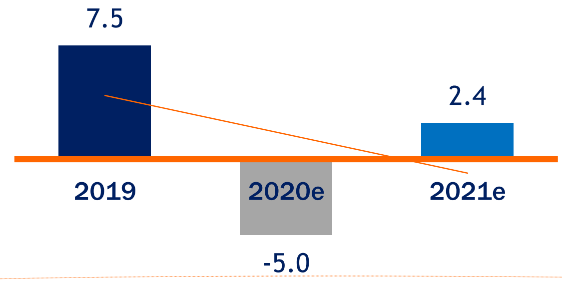
Mortgage Market (€bn)



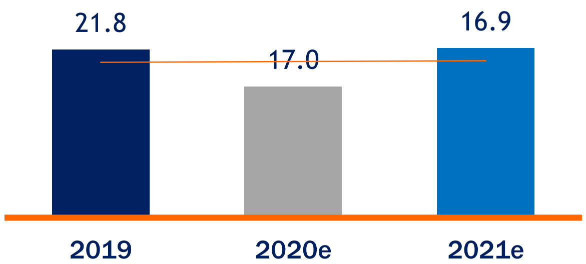
GDP (%)



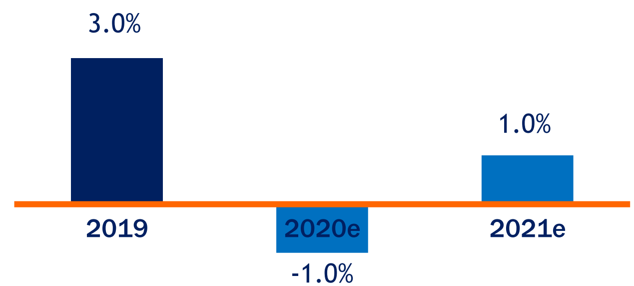
GNI (%)



Housing Completions (000s)



House Price Growth (%)



Source: Davy