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Group Holdings plc

Annual Results
2020

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

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ANNUAL RESULTS
2020

Eamonn Crowley,
CEO

Paul McCann,
Interim CFO

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Business Update

Eamonn Crowley, CEO

Good Performance – In Challenging Business Environment

FY 2020 Highlights

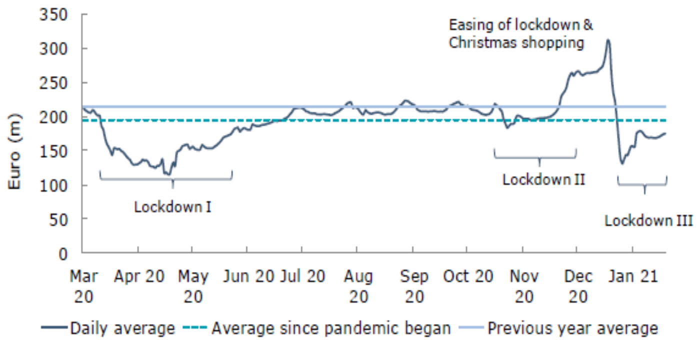
Customers	15.3%[1] Mortgage Market Share	• Total New Lending of €1.4bn, reduced by 15% YoY • €1.3bn New Mortgage Lending - action taken on Mortgage Pricing and Service • Developing partnerships for our customers
Transform	Reduction in Total Costs	• New Digital Platforms launched - enhancing customer journeys for a more digital world • Bank Wide Enterprise Transformation launched • 3% Reduction in Operating Expenses[2] - Cost Savings delivered in each of the last 3 years
Profitability	€52m Operating Profit[3]	• Loss Before Tax of €166m | Net Impairment Charge of €155m | Exceptional Items[4] €63m • Net Interest Margin 1.73% • NPLs increased by c.€80m to €1.1bn | NPL Ratio 7.6%
Capital	15.1% CET1 Fully Loaded	• All Capital Ratios remain above Management and Regulatory minimum • Mortgage portfolio sale added 150bps (net) to CET1 Ratio (Fully Loaded) • Regulatory approval received to call the existing AT1 instrument (issued in 2015)
Covid - 19	99% Payment Breaks Expired	• 10.7k Mortgage Payment Breaks approved (Peak May '20) | c.€1.6bn | c.10% of Gross Loans • 4% of Expired Mortgage Payment Breaks have additional forbearance measures approved | c. €70m[5] • c. 6% of Expired Mortgage Payment Breaks likely to require additional forbearance measures | c. €110m

1. BPFI data at 31 December 2020
2. Operating Expenses exclude Regulatory Charges (€49m) and Exceptional Items (€63m); which include Restructuring & Other Costs (€31m), Deleveraging Costs (€26m), Covid-19 Costs (€5m) & Impairment of Properties (€1m) for ease of comparison year on year
3. Operating Profit is Profit after Operating Expenses and Regulatory Charges before Impairment and Exceptional Items
4. Exceptional Items include Restructuring & Other Costs, Deleveraging Costs, Covid-19 Costs and Impairment of Properties
5. Balances now categorised as Non Performing which were categorised as Performing prior to payment breaks, at 31 January 2021

Pandemic-Related Disruption To Domestic Economic Activity

Labour Market Expected To Return To Pre Covid Levels By 2022

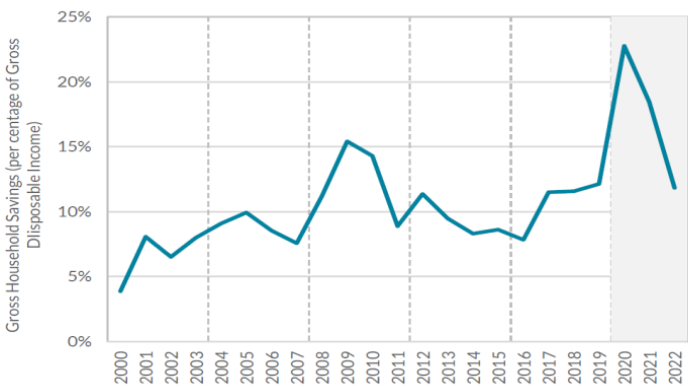
Consumer Spending Since Onset of Covid-19



Source: Central Bank

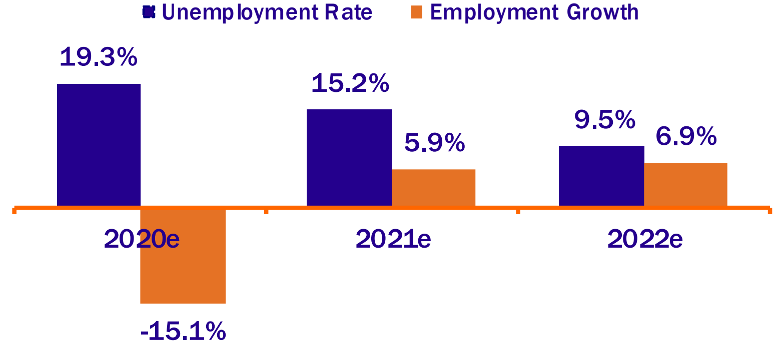
- Consumer spending being dictated by the Government levels of living with Covid-19
- Average spend reduced by c. 8% in 2020 compared to 2019.
- Significant reductions in consumer spending can be seen in the first lockdown (c.-40%), similar reduction can be seen in the third lockdown which Ireland currently remains in.

Household Savings Ratio Forecast to Decline to Pre-Pandemic Levels



- As a result of the first Lockdown, the household savings ratio reached 35% in quarter two.
- The unwinding of these elevated deposits should support strong consumption growth in the near-term once restrictions are eased and vaccination is completed.

Labour Market (%)



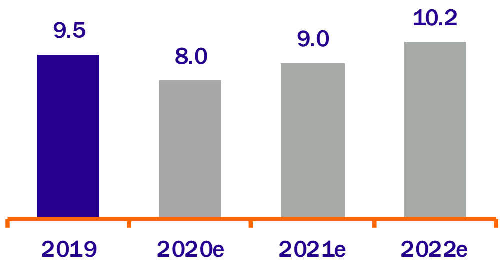
- Following the sharp increase in job losses since the onset of the Covid-19 outbreak, the labour market began to show signs of recovery in the second half of the year.
- However, the third lockdown has seen the numbers of recipients of state assistance rising again and this is likely to remain the case for the duration of H1'21 as restrictions are more gradually eased than previously.
- Labour Market expected to return to pre-pandemic levels by 2022, but this will be dependent on the successful roll-out of the vaccination programme.

Source: Davy, Goodbody, CBI

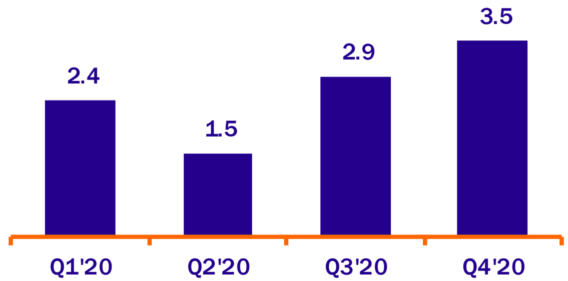
Housing Market Remained Resilient

Pace Of Growth Dictated By Housing Supply

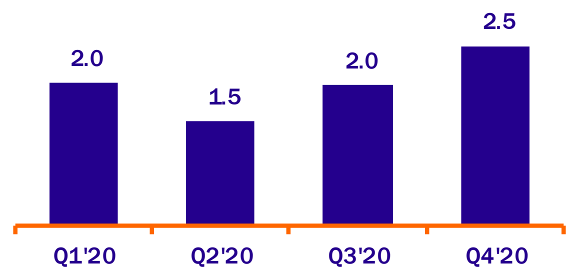
Mortgage Market (€bn)



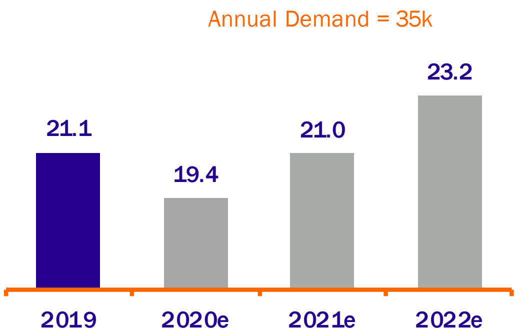
Mortgage Market Approvals (€bn)



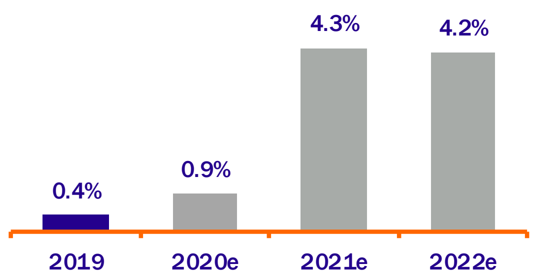
Mortgage Market Drawdowns (€bn)



Housing Completions (000s)



House Price Growth (%)



- Mortgage Market reduced by 12% YoY but expected to grow 13% in 2021
- Mortgage Approvals and Drawdowns recovered well in the second half of 2020, with an extremely positive quarter four, helping to offset the subdued activity levels earlier in the year.
- House Prices have performed well with 0.9% growth in 2020, consumers choosing to use additional savings and the changing environment to make house purchases.
- Continued upward pressure on prices expected given continued lack of supply

Source: CBI, Davy, Goodbody, BPFI

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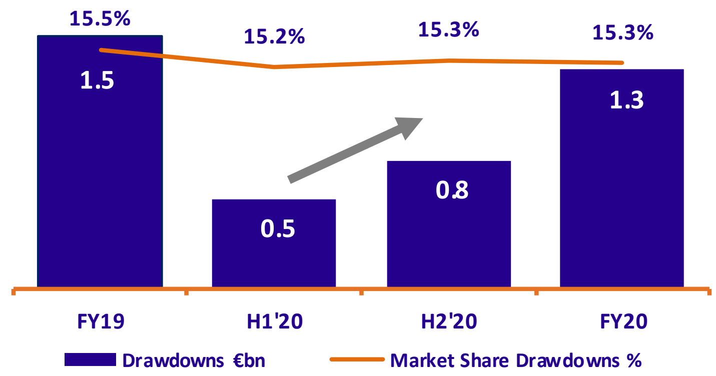
Good Business Performance – H2'20 Recovery

Mortgage Market Share 15.3%[1]; In Line YoY

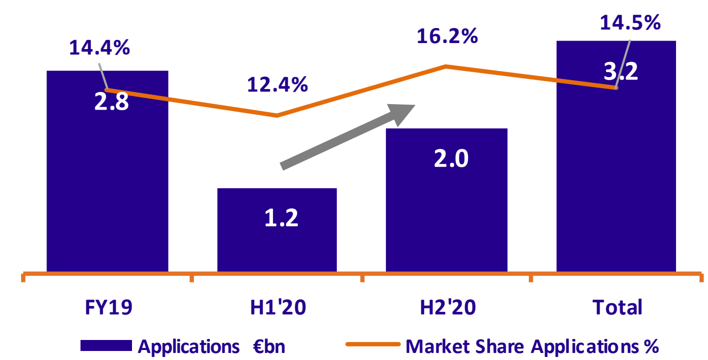
Mortgage Drawdowns And Market Share

c.40%[2] increase in Drawdowns H2 v H1

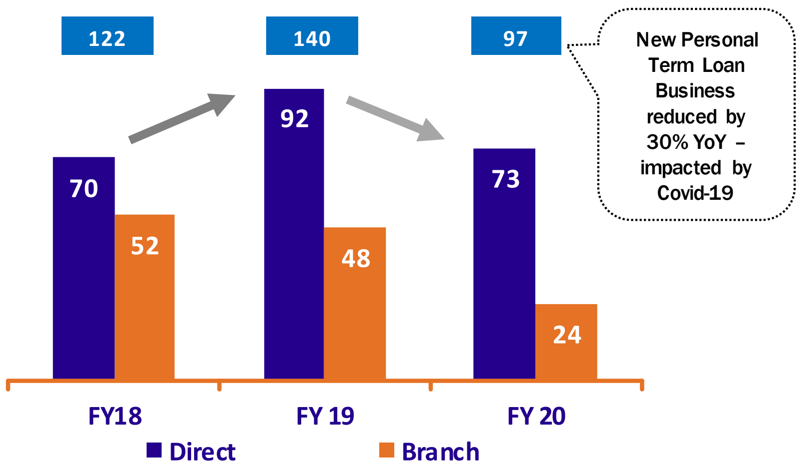


Mortgage Applications And Market Share

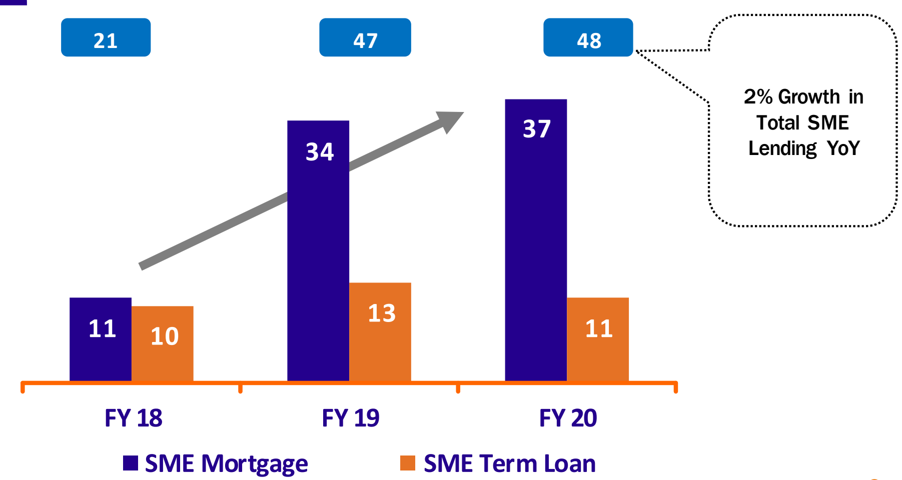
c.70%[2] Increase in Applications H2 v H1



Personal Term Lending[3]



SME Lending



1. Source: BPFI Data at Dec 2020
2. All euro amounts have been rounded to the nearest million /billion, percentage movements are calculated on absolute numbers
3. Direct Channels include Online and Voice

A Purpose Led Strategy
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 Increasing Trust, Advocacy & Loyalty	**Digital** Enhancing Digital Capabilities	**Culture** Embedding an Open, Inclusive, Risk Aware & Growth Culture	**Simplification** Simplifying our Business		**Profitability** Growing Sustainable Profitability

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Covid–19 Response

Strength Of Business Model Enabling Continued Delivery

Operational Strength And Resilience

- All 76 Branches remain open with specific hours for elderly & vulnerable customers
- All Contact Centres fully operational (plus 4 additional regional centres)
- c. 50% of our Colleagues continue to work remotely

Key Customer Supports

- 10,650[1] approved Mortgage Payment Breaks (€1.6bn)
- 800[1] approved Personal Loan Payment Breaks for 3 to 6 Months
- Limit on Contactless Payments Increased from €30 to €50
- More than a million in Cashback Rewards to Explore Current Account Customers

Covid-19 Mortgage Payment Breaks (PB)[2] – 99% Lower

- 10,550 Customers, PB expired – returned to original payment terms
- c. 100 Customers – PB remains active
- The Bank Continues to discuss individual customer requirements on a case by case basis

Covid-19 Supports In Operation

100%	1.6m	4	1,200
Branches Remain Open	Calls Received to Open 24	New Regional Centres	Colleagues Working Remotely

Supporting Customers Cash Flow Needs

10,650	800	€50	>€1M
Mortgage Payment Breaks	Term Loan Payment Breaks	Contactless Payment Limit Increased	Cashback Explore Customers

Mortgage Payment Break Analysis

c.10%	< €200m	€152k	50%
Customers Requiring Further Support	Value Requiring Further Support	Average Loan Size	Tracker Mortgages

Seamless Business Continuity – Supporting Customers, Colleagues and Communities

1. Mortgage and Term Loan Payment Breaks that were fully performing prior to application for Covid-19 Payment Break
2. Most recent data on Payment Breaks at January 2020, Customers were eligible to apply for a maximum of two Covid-19 Payment Breaks over a 6 month period, each payment break was for a 3 month period. Application for Payment Breaks ceased on the 30th September 2020

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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

NPS[1] + 12
Top 2 Market Position
(+8 points YoY)

72 Hour
Mortgage Approval Decision Time

40%
New To Bank Mortgage Customer
(+2% YoY)

Digital Activity
>100 million
Online Log-Ins
(+20% YoY)

400k
Active App Customers
(+15% YoY)

92m
Contactless Payments
(+40% YoY)

Developing Partnerships For Our Customers

Intermediary Partnerships
25% Broker Market Share

SBCI

€50m Fund
Low Cost Business Loans

BIBBY FINANCIAL SERVICES

Invoice Finance
Products and Services For Business Customers

Meeting Changing Customer Needs

Customer Feedback Is Important To Us

- ✓ Relationship NPS[1] - delivering strong Customer Service and Experience

Action Taken On Mortgage Pricing & Service

- ✓ Reduced Mortgage Pricing across Variable and Fixed Products
- ✓ Launched 72 Hour Approval Time for Mortgage Decision

Delivering Customer Journeys For A More Digital World

- ✓ 72% of Customers Choosing to Bank Online[3]
- ✓ Term Loan (Instant Approval), Credit Card and Overdraft all digitally available

Partnerships – Giving Customers Choice

- ✓ Strong relationship with **Intermediaries** – successful Mortgage Broker Portal
- ✓ New Partnership with the **Strategic Banking Corporation of Ireland** (SBCI) – Digital Online Application for Customers
- ✓ New Partnership with **Bibby Financial Services Ireland (BFSI)** - providing our new and existing business banking customers with Invoice Finance products and services.

The Pandemic Has Accelerated A Shift Towards Digital For Every Day Banking Needs

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 Kantar Survey Jan 2021.
2. Online refers to both Mobile App and Desktop

Transform

Build A Sustainable Future For The Bank

Digital Development	Business Model Simplification	Embed Our Values

Delivering On Our Priorities - A Digitally Connected Customer Centric Bank

- ✓ **Apple Pay** – Delivering the digital wallet
- ✓ **Digital Document Upload** – Progress towards online mortgage journey
- ✓ **Video Banking** – First of its kind in Ireland
- ✓ **CCM** – Customer Correspondence Management Tool – key enabler for migration to digital correspondence
- ✓ **Artificial Intelligence (AI) Technology** – With Chat Bot Pilot under way
- ✓ **Enhanced Digital Capabilities in Branch** - iPads with supporting phone lines to customer service centres, latest ATM and SSBM Technology
- ✓ **Business Banking Lending digital portal for SBCI**

Focus in 2021

- **Digital Current Account** – 6 minute opening time
- Further Implementation of the **Banks Payment Strategy**
- **Google Pay**, building on the success of Apple Pay
- **Digital Mortgage & SME Propositions and Service Journeys**

A Bank-Wide Enterprise Transformation Programme Launched

- **Effective Organisation Design**
  - ✓ Detailed Organisation Structure Review in progress
  - ✓ Launched Voluntary Severance Scheme Nov 2020
  - ✓ Smarter and New Digital Ways of Working
  - ✓ Bringing capability & opportunity together
- **Sustainable Workplace Solutions, Including Reduced Office Footprint**
  - ✓ 50% of colleagues currently working from home & want to continue at least 2 or 3 days per week into the future
  - ✓ More effective utilisation of workspace
  - ✓ Exiting Park Place, Dublin 2 (April 2021)
- **Operational Excellence, Information Security & Operational Resilience**
  - ✓ Adapting and automating, reducing risk and providing efficiencies
  - ✓ Call Centre & Operations efficiencies delivered through greater automation & streamlining processes
  - ✓ Enhanced Cyber Security
  - ✓ Established Cloud Centre of Excellence

Digital Capability Is Playing An Ever Increasingly Critical Role In Service Offerings

Responsible And Sustainable Business

We Continue Doing Business In A More Responsible Way

Strengthen Communities

Through Our Partnerships And Staff Volunteering

Partnering with O Cualann Cohousing, €350k over 3 years, developing 1,800 affordable homes across the country

€700k in financial contributions to Irish community organisations in 2020

Achieving ‘ The Mark’

Accreditation of Best In Class Responsible Business Programmes

BUSINESS IN THE COMMUNITY

Achievement of the Business Working Responsibly Mark from Business in the Community Ireland (BITCI)

10% reduction in Carbon Emission Intensity in 2020 (55% reduction since 2009)

Supporting Colleagues – Embed Our Values

Every Voice Counts[1]

- Our **Culture Index** increased by 7% to 72%
- Our new **Engagement Index** registered at 71%, which compares favourably against industry standards

Living As Leaders[2]

- Partnering with **LIFT Ireland**, developing personal leadership qualities within each individual. To date 100 Colleagues hosted and 600 Colleagues participated in Round Table Sessions.

Diversity & Inclusion

- Achieved a maturity rating of ‘**Awareness**’ on the Global Maturity Model.

Gender Equality

- **Work Equal Campaign[3]**, a 3 year partnership, promoting gender equality in workplaces across Ireland.
- **Gender Balance in PTSB**
  - Total Staff: 47% Female | 53% Male
  - Senior Leadership: 37% Female | 63% Male +7 ppts increase in Female Senior Leadership YoY
- **Gender Pay Gap**
  - 14.9% 2020 | Irish National Average 14.4%

A Focus On Sustainability

A Sustainability Committee and Permanent TSB Green Team

100%

Renewable electricity supply for the Bank

Low Carbon Pledge

Signatory of Business In The Community Ireland’s ‘Low Carbon Pledge’

1. In 2020, we introduced a new diagnostic tool based on a five point Likert Scale, enabling us to assess culture, colleague engagement and trust at regular intervals through a holistic approach.
2. Partnering LIFT Ireland (Leading Ireland’s Future Together) a Not For Profit Organisation with a vision to make Ireland a better place to live by creating better leaders across our society and in our communities
3. The Work Equal campaign is NGO-led and aims to both raise awareness of workplace gender inequalities and related issues and develop solutions to address them.

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ANNUAL RESULTS
2020

Financial Performance

Paul McCann, Interim CFO

Covid-19 Pandemic Has Material Impact On Profitability

Income Statement

Grow Diversified Income Streams

Efficient Organisation

Capital And Resource Allocation

	FY 20 €m	FY 19 €m	YoY €m	YoY %
Net Interest Income	341	356	(15)	-4%
Fees & Commissions	28	37	(9)	-24%
Net Other Income	6	21	(15)	-71%
Operating Income	375	414	(39)	-9%
Operating Expenses[1]	(274)	(283)	9	-3%
Regulatory Charges	(49)	(47)	(2)	+4%
Operating Profit	52	84	(32)	-38%
Impairment Charge	(155)	(10)	(145)	-
(Loss) / Profit Before Exceptional Items & Tax	(103)	74	(177)	-
Exceptional Items (Net)[1]	(63)	(32)	(31)	-97%
(Loss)/ Profit Before Tax	(166)	42	(208)	-

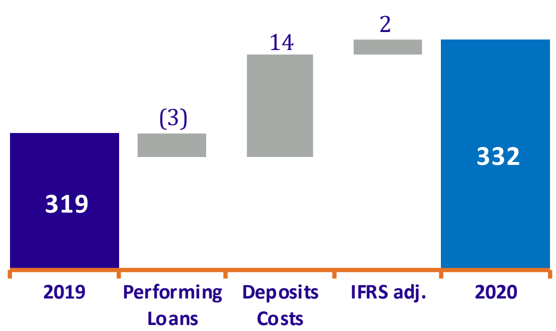
FY 2020 Vs FY 2019

- 4% reduction in Net Interest Income primarily due to lower income from Treasury Assets (€18m) and NPLs (€6m) offset by lower funding costs.
- Fees & Commissions lower due to the reduced transactional activity as a result of the impact of Covid-19 primarily in quarter two banking activity.
- Net Other Income reduced by €15m YoY - Prior year of €21m, primarily gains on the disposal of Properties In Possession.
- Operating Expenses are 3% lower as Efficiency Savings offset Investment and Inflationary pressures. The Bank continues to maintain good cost discipline.
- A material Impairment Charge of €155m reflecting a prudent approach to the current macroeconomic environment together with meeting Regulatory guidance on Calendar Provisioning.
- Exceptional Items relate to Restructuring & Other Costs (€31m), Deleveraging Costs (€26m), Covid-19 Costs (€5m) and Impairment of Properties (€1m)

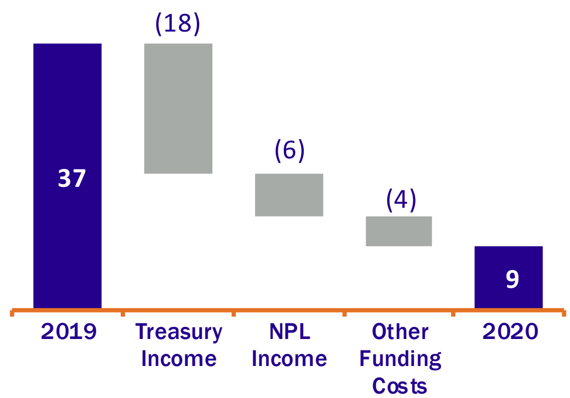
1. For the purposes of comparing underlying movements year on year, we have included Covid-19 related expenses (€5m) and Impairment of Properties (€1m) in Exceptional Items, for the year ended 31 December 2020.

Net Lending Income Increases By 4%
Actively Managing Deposit Costs

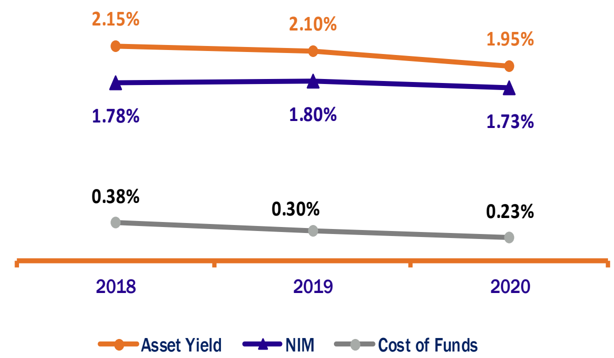
Net Lending Income (€m)



Other Interest Income (€m)



Net Interest Margin (%)



- Net Lending Income[1] of €332m FY20 increased by 4% YoY, as New Lending Mortgage Volumes, yielding an average of 2.8% exceeded Outflows at a yield of c. 2.5%; together with
- Continued active management of the cost of Deposits

- Other Interest Income of €9m FY20 has reduced by €28m YoY
- Treasury Income reduced by €18m due to the continued maturity of legacy, high-yielding treasury assets. All such assets have now fully matured
- Lower income from the Total Non Performing Loan Book c. €6m, as a result of deleveraging activity in H2 2019
- Funding Costs increased by €4m in the year mainly due to the MTN issuance in H2 2019

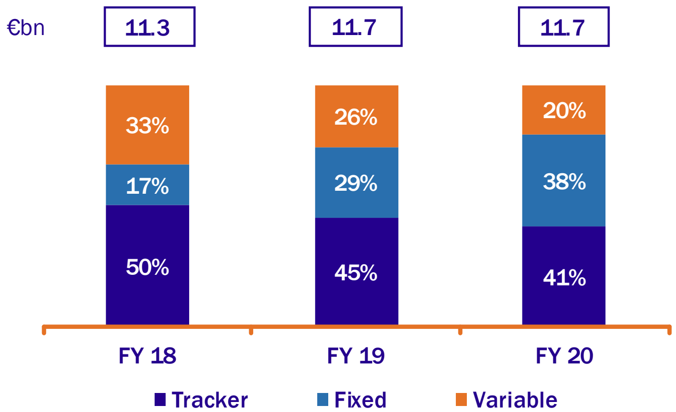
- Reduction in Net Interest Margin through 2020, primarily due to an increase in excess liquidity and lower reinvestment yields on Treasury Assets
- Guiding NIM less than 1.70% in 2021, before increasing in 2022
- Asset Yield at c.1.95%, reducing 15 basis points YoY due to the continued maturity of high yielding legacy treasury assets, cost of excess liquidity together with the some price reductions to the Bank's Fixed Rate Mortgage products
- Cost of Funds, actively managed, with an additional reduction of 7 basis points YoY

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

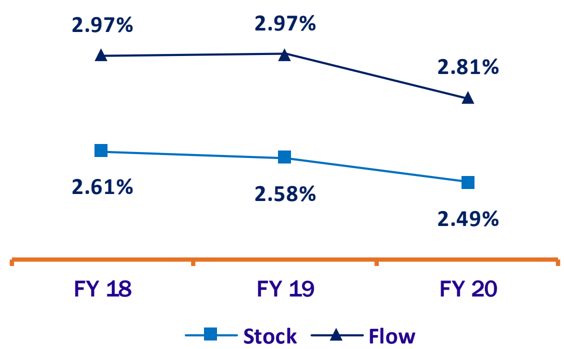
Performing Home Loan Book Remains Stable

Book Yield At c. 2.5%

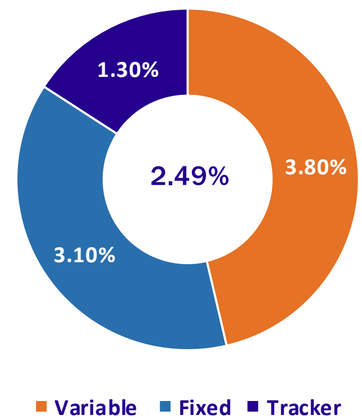
Mix of Home Loan Book by Product (%)



Home Loan Yield (%)



Home Loan Yield By Product (%)

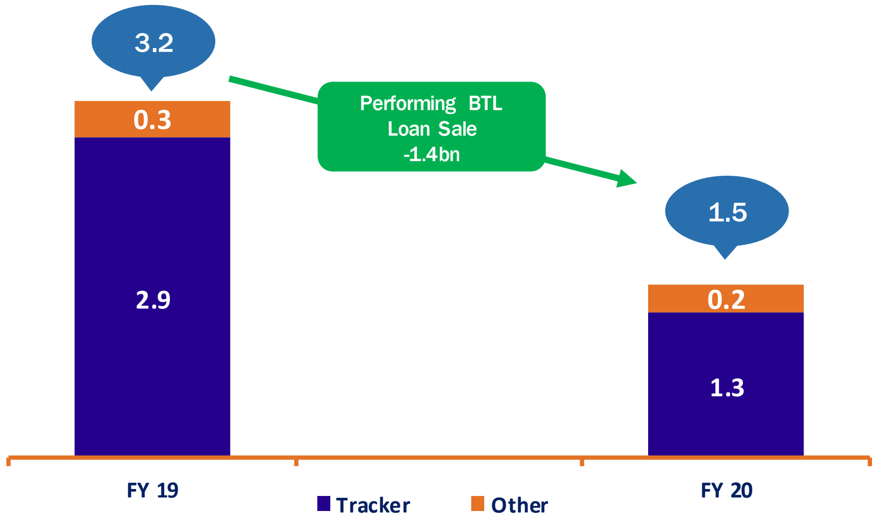


- Home Loan Mortgage Book has grown 4% since 2018
- Remained stable at €11.7bn over the last 12 months.
- Good New Business Performance in a Covid-19 year;
  - 95% of Inflows (€1.3bn) to Fixed Products
  - 92% of New Business to Customers availing of 3 and 5 Year Fixed Rates (average yield 2.8%)
- New Business equaled Outflows in 2020, 38% of outflows from Tracker Products (average yield 1.3%)
- Tracker Mortgage Book is now at c.40% of the Book
- 3% of the Performing Home Loan Mortgage Book is on Interest Only

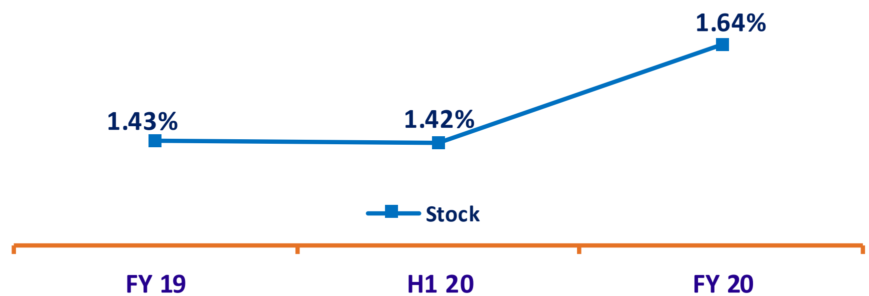
- Average Book Yield of 2.49%, a reduction of 9 Bps YoY
  - Aligned Fixed Rates for Existing and New Customers; and
  - Reduced SVR by 55 Bps and MVR by 10-35 Bps depending on LTV
- Average New Business Yield of 2.81%, a reduction of 16 Bps YoY
  - The Bank introduced competitive 3 & 5 Year Rates for New Business
  - A High Value, >€250k ranging from 2.50% - 2.85% depending on LTV

Performing Buy To Let (BTL) Book Reduces By 53%
Yield Increased By 21 Bps

Performing BTL Book Movement (€bn)



Performing BTL Yield (%)



Key Elements of Buy To Let Book

- 85% Tracker |14% Variable | 1% Fixed
- 47% Interest Only
- Average Yield increased by 22bps to 1.64% from 1.42% before the Portfolio Loan Sale

Key Elements of Portfolio Loan Sale

- €1.4bn, >40% reduction in the Performing BTL Loan Book
- Average yield of 1.08%

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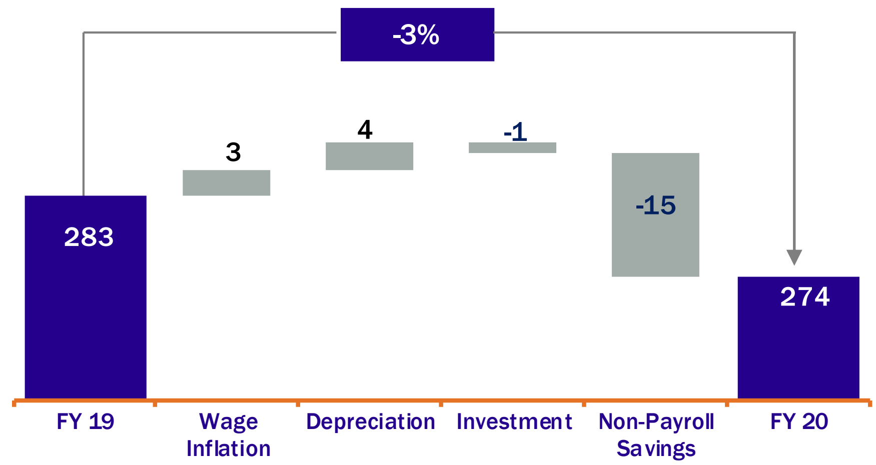
Total Costs Lower Year On Year

Cost Management Remains A Key Focus Of The Bank

Cost Base Analysis	FY 20 €m	FY 19 €m	YoY €m	YoY %
Total Costs[1]	323	330	-7	-2%
Regulatory Charges	49	47	+2	+4%
Total Operating Expenses	274	283	-9	-3%
Depreciation & Amortisation	37	33	+4	+12%
Addressable Costs	237	250	-13	-5%
Cost Income Ratio[2]	73%	68%	-	+5%
Average Staff Numbers	2,428	2,386	+43	+2%

Movement In Operating Expenses (€m)



- Total Costs of €323m have reduced by €7m (2%) YoY
- Regulatory Charges have increased by €2m (+4%), primarily as a result of higher costs of Deposit Guarantee Scheme, as deposits grew YoY.
- Operating Expenses (excluding Regulatory Charges) have reduced by €9m (3%) YoY
- Cost Income Ratio of 73% is 5 percentage points higher than 2019, while Operating Expenses are lower year on year, total Operating Income has reduced by 9% YoY
- Staff Numbers Increased by 2% YoY, driven by Technology Resources together with additional staff required in the Bank's response to Covid.

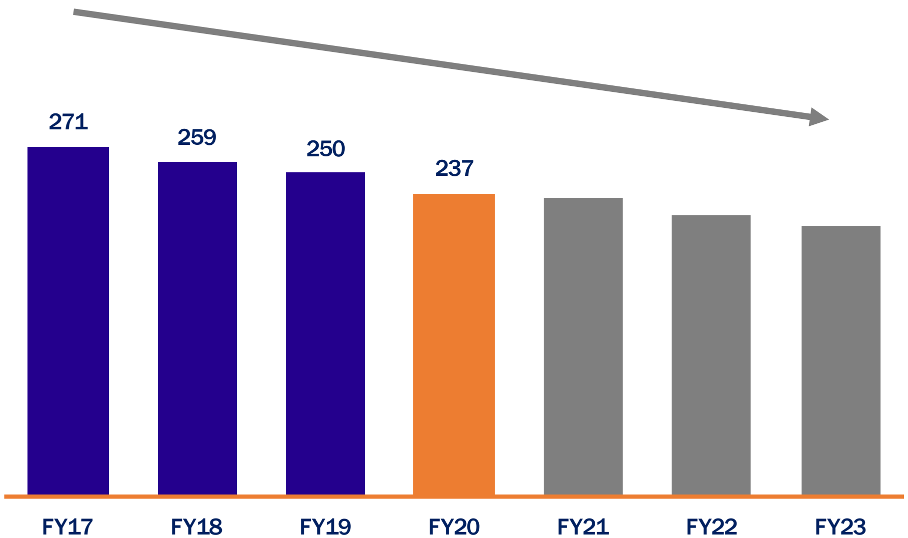
- 3% Reduction in Operating Expenses, key movements are;
  - Wage Inflation (€3m) and higher Depreciation (€4m); offset by
  - Lower costs related to Investment (-€1m), and
  - Non Payroll Savings of €15m
- A full review of all Third Party Spend in progress, materialising savings across Non Payroll categories as follows
  - Management & Legal Consultancy
  - IT & Telecoms
  - Professional Services
  - Marketing
  - Supplier Consolidation & Optimising Contract Renewals

1. Total Costs exclude €5m relating to Covid-19 and Impairment of Properties of €1m, these have been included in Exceptional Items in this presentation for ease of comparison with prior years
2. Cost Income Ratio is calculated as Operating Expenses (excl. Regulatory Charges and Exceptional Items) divided by Total Operating Income

Proven Track Record Of Managing Costs

Committed To Further Efficiency Improvements

Proven Record of Managing Addressable Costs[1] (€m)



13% Reduction in Addressable Costs (Excluding Depreciation) over 4 Years

Estimated c. 11% Reduction in Addressable Costs (Excluding Depreciation) in next 3 Years

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

Cost Framework to Achieve Savings

BAU Costs *(ongoing)*	▪ Rigorous approach to the management of BAU costs ▪ Productivity and Efficiency through 3rd Party Cost Programme - improvements to continue

Strategic Opportunity
(Ongoing – Medium Term)
	▪ Enterprise Transformation Programme Launched November 2020
	  ▪ Reduction in Headcount (c. 300 FTE) through Voluntary Severance
	  ▪ Smarter Ways of Working
	  ▪ Property Footprint – Exit Park Place
	▪ Customer behaviour driving future distribution strategy
	▪ Further adoption of new technologies likely to drive shift in cost base

1. Addressable Costs are Operating Expenses, excluding Depreciation, Bank Levy and Regulatory Charges

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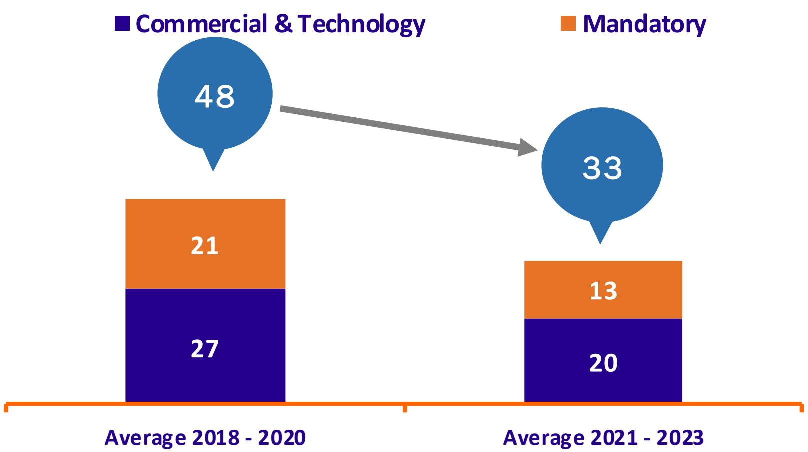
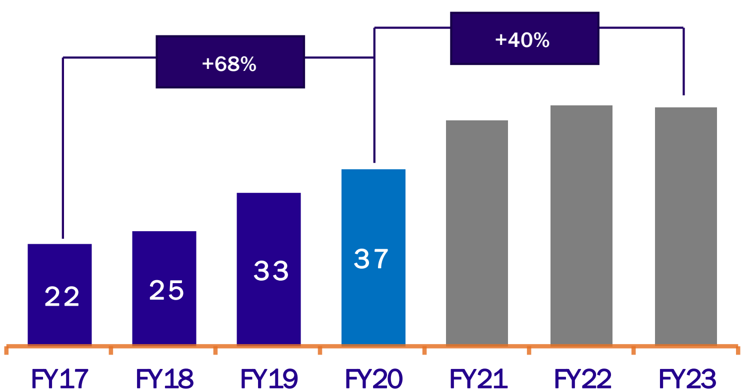
Continuing To Invest In Key Priorities

Depreciation Increasing As We Pay For Investment

Average Annual Investment Spend (€m)



Annual Depreciation[1] Trajectory (€m)



Investment 2021 - 2023

Commercial & Technology Investment

- The Digital Current Account
- Launch of Android Pay
- Developing the Digital Mortgage and SME Customer Journeys
- Digital servicing for all routine transactions
- Further development of product and service propositions
- Rollout of smarter working technology and supports for our colleagues

Regulatory & Mandatory Investment

- Further investment in the Regulatory/Mandatory agenda including Cyber Security, Data Centre, Anti Money Laundering and enhancing critical service resilience

Higher Depreciation Trajectory

Over the last 3 Years the Bank has invested in

- Technology & Digital Programmes (c. €100m)
- Branch Refurbishment and Modernisation (c. €30m); together with
- Business Programmes, developing the Banks culture and investing in our people.

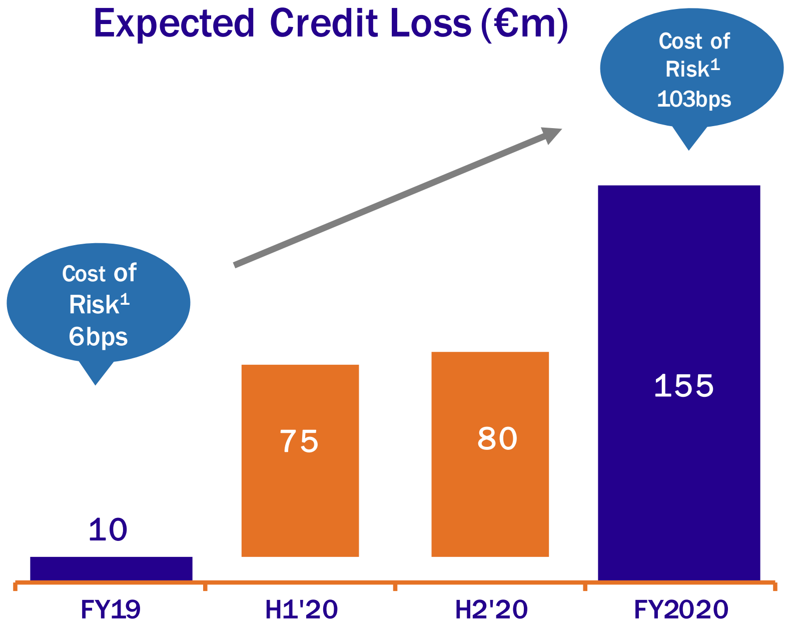
Depreciation is expected to increase each year over the next three years

1. To enable comparability across the years adjustments have been made to Depreciation & Amortisation for the Impact of IFRS 16

A Material Expected Credit Loss of €155m

Reflecting Macro-Economic Factors And Management Overlays

Expected Credit Loss (€m)



Expected Credit Loss Macroeconomic Projections Average Value Over First Year of Forecast

	Base[2]	Upside[3]	Downside[4]
HPI	-5%	18%	-20%
Unemployment	10%	6%	16%
GDP	4%	8%	-5%
CPI	3%	1%	1%

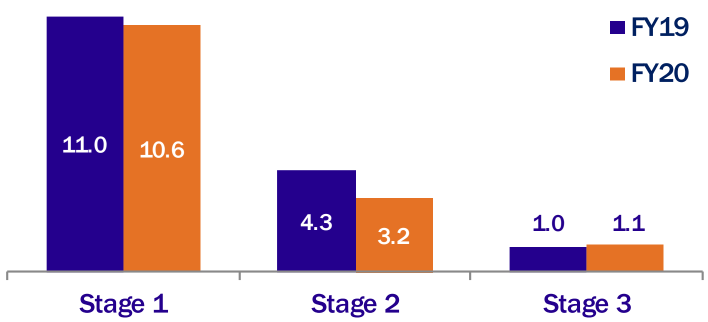
- FY 20 Impairment Charge reflects changes in the forward looking macro-economic scenarios (see table above)
- Driven by Covid-19 disruption and including post model adjustments of c. €110m as we continue our cautious approach to risks, as visibility of outcomes remains limited.
- Subject to no further material deterioration in the economic outlook, the majority of the impairment charge associated with Covid-19 has been recognised in 2020; we expect the 2021 impairment charge to be materially lower than 2020

1. Cost of Risk calculated as annual impairment charge / average net loans & advances for the last 12 months.
2. Base Scenario: A 1-in-2 year outcome (50% probability that losses will be higher, 50% probability that losses will be lower).
3. Upside scenario: A 1-in-20 year outcome (95% probability that losses in the Base Scenario will be higher than the Upside Scenario and 5% probability that losses will be lower).
4. Downside scenario: A 1-in-20 year outcome (5% probability that losses in the Base Scenario will be higher than the Downside Scenario and 95% probability that losses will be lower).

Increasing Provision Coverage

NPL Ratio of 7.6%

Gross Loans By Stage (€bn)



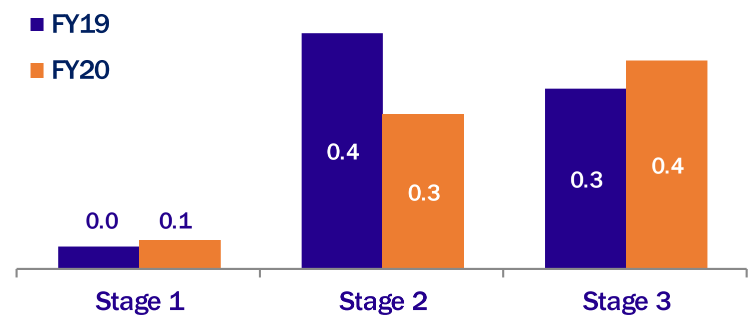
NPL Ratio 7.6%

Gross Loan Book Reduced by 9.3%

Performing Loan Portfolio (€1.4bn, Sep 20)

Stage 2 Assets reduced by 26% YoY

Provisions By Stage (€bn)



Stage 3 Assets

- Non Performing Loan book increased by c. €80m to €1.1bn, primarily driven by c. €50m of Payment Break defaults at December 2020
- Remain committed to a Mid-Single Digit NPL Ratio;
  - c. 40% 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

Asset Quality / Coverage

Category	Balance (€bn)	ECL (€bn)	Coverage (%)	+ / - YoY
Stage 1 & 2	13.8	0.34	2.5%	-0.6 ppts
Stage 3 (NPLs)	1.1	0.39	34.3%	+2.1 ppts
Total	**14.9**	**0.73**	**4.9%**	**-**

- Reduction in Stage 1 & 2 Loan balances and associated ECL is primarily due to the performing loan sale transaction
- Fully Loaded Leverage Ratio Remains Strong at 7.1%

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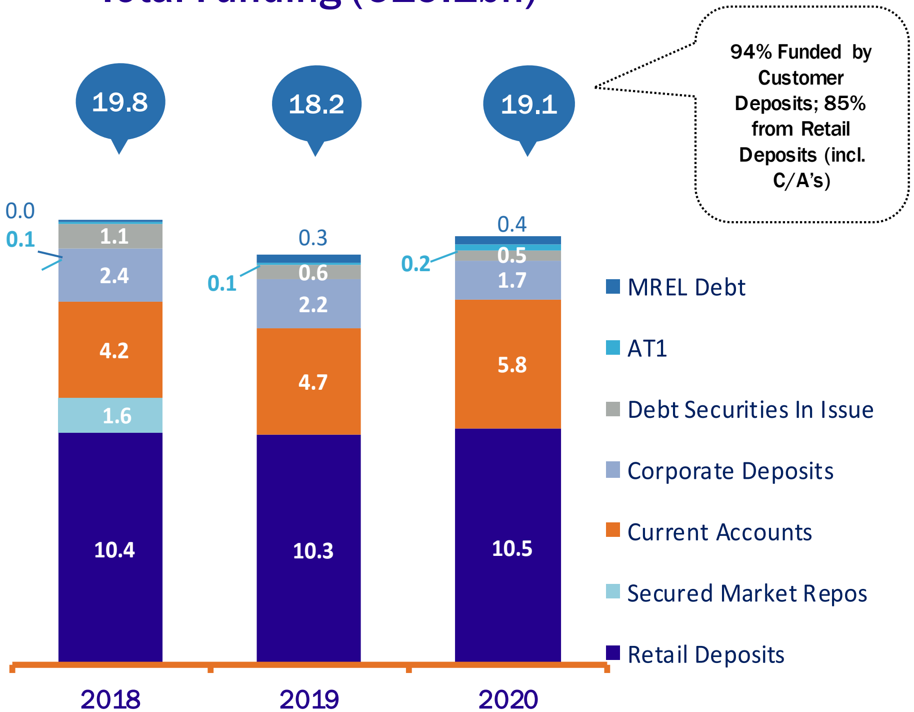
Strong Funding And Liquidity Position

Liquidity Coverage Ratio Greater Than 200%

Total Funding (€19.1bn)



- In line with the trend across the Irish market, the Bank has increased Current Accounts (CAs) by 23% YoY to €5.8 billion
- The Loan to Deposit Ratio is now 79%, a reduction of 12 ppts year on year as a result of overall higher Deposit levels (incl CAs) and lower total Loan Book as a result of the Performing Loan Portfolio Sale

Liquidity And Funding Ratio

Ratio	Dec 20	European Bank Average	PTSB v European Peers
LCR[1]	276%	165%	+111%
NSFR[2]	160%	122%	+38%
LDR[1]	79%	108%	-29%
Encumbrance[1]	5%	22%	-17%

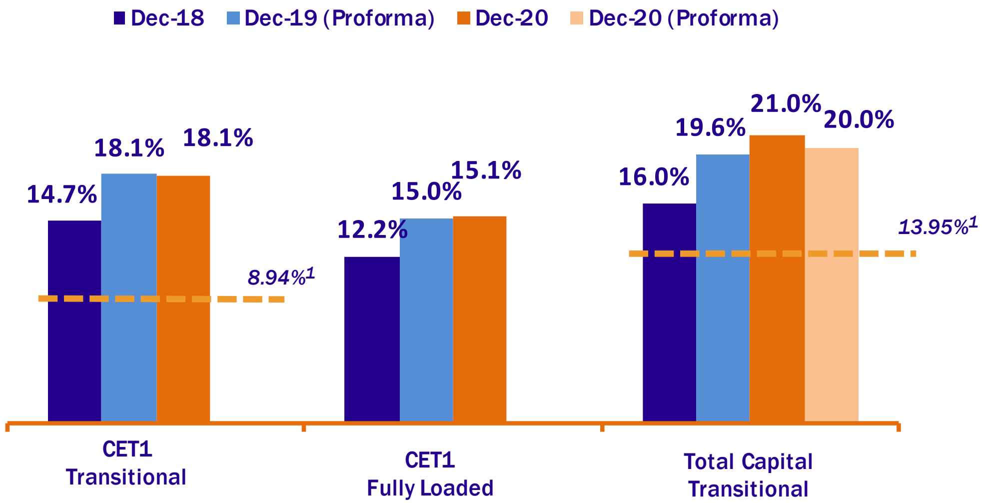
- Material increase in LCR% reflects elevated deposit levels resulting from Covid-19 lockdowns and proceeds from the Performing Loan Portfolio sale
- The Bank's current MREL target becomes binding on 30 June 2021
- The Bank expects to be compliant in advance of this date. The Bank awaits confirmation of a new MREL decision based on the Bank Resolution and Recovery Directive 2 (BRRD2) framework.
- At 31 December 2020, the Excess Liquidity held with the CBI which attracted a rate of -50bps was c.€1.7bn

1. Based on Q3 2020 Supervisory Banking Statistics published by the ECB
2. Based on the Basel III monitoring exercise on the European banking system (Dec 2020, data as at Dec 2019) using "Group 2" banks average

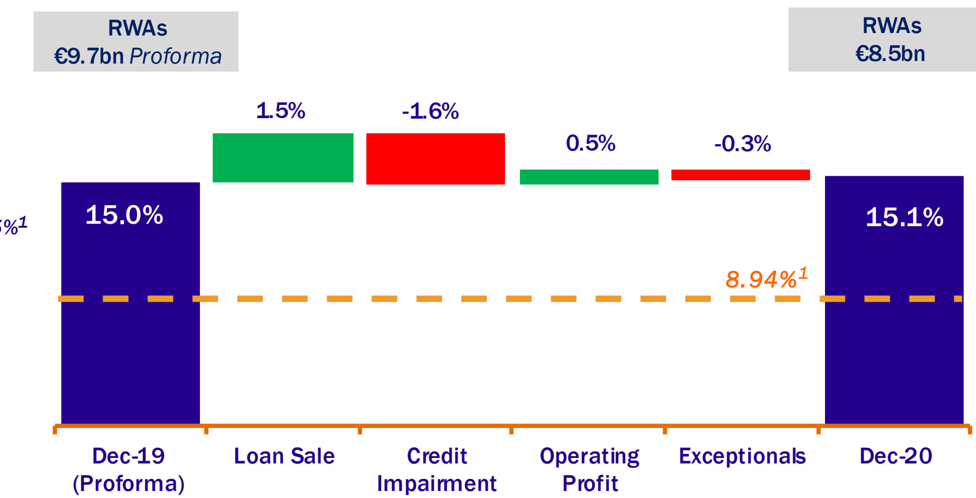
Capital Ratios Remain Above Regulatory Requirements

CET1 Fully Loaded Increased By 10 Basis Points

Regulatory Capital Ratios (%)



CET1 Fully Loaded Ratio Movement (%)



- In response to Covid-19, CBI introduced measures supporting sustainable provision of credit to the economy; specifically:
  - The removal of the Counter Cyclical Buffer (1.0%)
  - The early introduction of the CRD IV Regulatory amendment (1.51%)
- November 2020 AT1 issuance, €125m (incl. costs) added +130bps to Total Capital
- Pro-forma December 2020 Total Capital Transitional, reflects the impact of the de-recognition of the 2015 AT1 issuance following CBI approval in Feb 21 (-100bps).

- Fully Loaded CET1 ratio increased by 10 basis points YoY primarily due to:
  - Performing Loan Portfolio Sale, deleveraging c.€1.4bn of non-standard BTL exposures, added an additional 150 basis points (net); together with
  - Operating profit in the year, adding an additional 50 basis points
  - Partially offset by a full year ECL of €155m or 160 basis points, and
  - Exceptional Cost related to VSS program €27m or 30 basis points
- Risk Weighted Assets reduced by €1.2 billion driven primarily by the Performing Buy To Let Loan Portfolio Sale
- Management CET1 (Fully Loaded) Long Term Target is c.13.5%

1. CET1 requirement reflects the impact of CRR 'Quick Fix' amendments to Pillar 2 Requirements (this does not impact at Total Capital level)

Summary – 2020 Outturn

Growth

- Resilient New Lending Performance (€1.4 billion) despite the challenges that 2020 brought.
- Mortgage Lending €1.3 billion, 14% reduction YOY
- Mortgage Market Share 15.3%
- NIM 1.73% - expected to reduce to below 170 basis points in 2021, before increasing in 2022
- Net Fee Income c.8% of Total Income – impacted by the country guidelines to living with Covid
- Total Retail Deposits, including Current Accounts, grew 9% YoY, strengthening our Franchise

Efficiency

- Addressable Costs (excluding Bank Levy & Regulatory Charges) reduced by 3% YoY
- Proven Record of Managing Costs, c. 13% Reduction in 4 Years
- Material Impairment Charge, c.103 Bps of Total Gross Loans
- A prudent approach to the macro economic environment, as visibility of outcomes remains uncertain
- NPL Ratio 7.6%
- Committed to Mid Single Digit Ratio in the Medium Term

Returns

- Operating Profit of €52m
- Stable Funding & Capital Position
- €1.4 billion Performing Buy To Let Loan Portfolio Sale generating 150 bps of CET1 (Fully Loaded)
- CET1 Ratio (Fully Loaded) grew 10 bps to 15.1%
- €125m AT1 issued, added 130 bps to Total Capital
- Leverage Ratio Remains Strong at 7.1%

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ANNUAL RESULTS
2020

Medium Term Outlook 2021-25

Eamonn Crowley, CEO

Strong Ambition, Purpose And Priorities
Strategic Priorities Will Drive Sustainable Returns

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

Nationwide Physical Footprint

A continued physical presence in our communities in Ireland, helping our customers in person when they need sales support

Right Products, Right Price

The right products, at the right price, with strong market share in our target segments

Digitally Led

Opti - Channel with digital capabilities on key sales & service journeys

Routine Service On Digital Channels

Everyday, routine transactions will transition to digital channels and be available at a time that is convenient for our customers

Customers	Transform	Profitability
• Supporting Our Customers At Every Stage Of Life • Powered By Partnerships & Innovation • Digital Support For Our Customers Every Day Banking Needs	• Enhancing Customer Journeys For A More Digital World • Simplifying Our Business Improving Customer Experience • Increasing Efficiency And Reduce Costs	• Lending Growth • Quality Interest & Fee Income • Lower Headcount • Lower Costs over time • CET1 Ratio 13% - 14% • ROTE >6%

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Building Sustainable Profitability
Medium Term Outlook 2021 to 2025

	Medium Term Outlook
Growth	Mortgage Market Share 16%-18% SME New Lending c. 8% market share Consumer New Lending > €200m per annum NIM > 1.90% Net Fee Income >10% of Total Income
Efficiency	Sustainable Efficiency Savings, c. 11% of Addressable Costs 65% Cost Income Ratio NPLs reduced further while protecting capital Net Impairment Charge < 30 Bps
Returns	CET1% (fully loaded) 13.5% Return on Equity > 6% Leverage Ratio c. 7%

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ANNUAL RESULTS
2020

Appendix

Domestically Focused Retail And SME Bank

Business Overview

Business

€13.7bn	€5.8bn	€10.5bn
Performing Loan Book	Current Account Balances	Retail Deposit Balances

Market Share

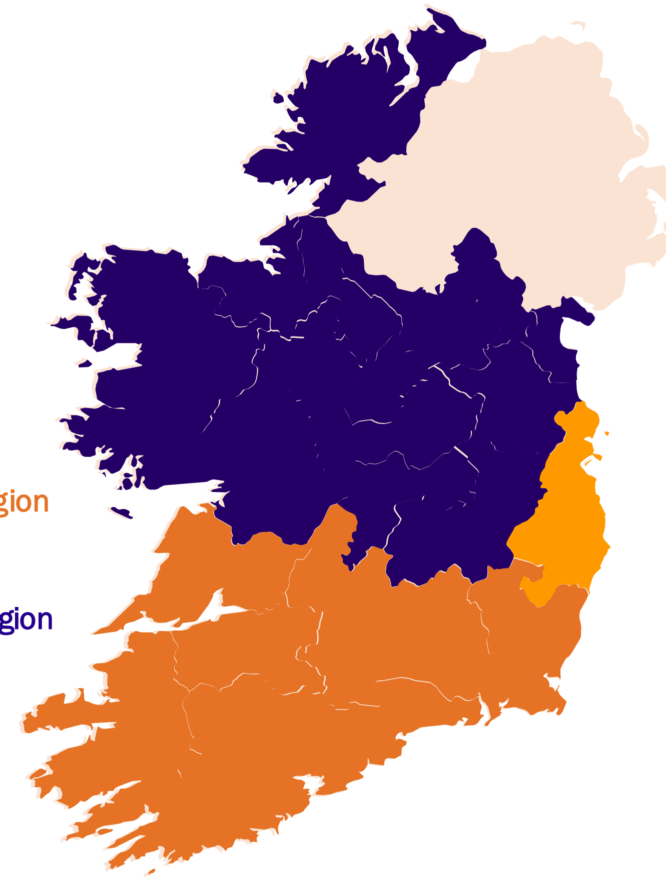
15.3%	12%	11%
Residential Mortgage Balances[1]	Current Account Balances[2]	Retail Deposit Balances[2]

Our Physical Landscape

Dublin Region
25 Branches

South & East Region
25 Branches

North & West Region
26 Branches



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

Historical Financial Information – Income Statement

€m	FY2020	FY 2019	FY 2018	FY 2017	FY 2016
Net Interest Income	341	356	379	407	394
Other Income	34	58	63	38	71
ELG Fees	-	-	-	(2)	(4)
Total Operating Income	**375**	**414**	**442**	**443**	**461**
Total Operating Expenses (Before Exceptional Items)	(329)	(330)	(331)	(329)	(341)
Pre-Impairment Profit / (Loss)	**46**	**84**	**111**	**114**	**120**
Impairment (Charge) / Write-Back	(155)	(10)	(17)	(49)	68
(Loss) / Profit Before Exceptional Items	**(109)**	**74**	**94**	**65**	**188**
Exceptional Items (Net)	(57)	(32)	(91)	(13)	(414)
(Loss) / Profit Before Tax	**(166)**	**42**	**3**	**52**	**(226)**

Key Metrics	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
Net Interest Margin	1.73%	1.80%	1.78%	1.80%	1.48%
Headline Cost Income Ratio [1]	73%	80%	75%	74%	74%

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 2020	Dec 2019	Dec 2018	Dec 2017	Dec 2016
Total Loan Book (net)	14.2	15.6	15.9	18.4	18.9
Treasury Assets	5.9	3.6	3.8	3.5	3.9
Other Assets	0.8	1.1	2.1	0.9	0.8
Total Assets	**20.9**	**20.3**	**21.8**	**22.8**	**23.6**
ROI Retail Deposits (Incl. Current Accounts)	16.3	15.0	14.8	14.3	13.6
Isle of Man Deposits	-	-	-	-	0.4
Corporate & Institutional	1.7	2.2	2.2	2.7	3.0
Total Customer Deposits	**18.0**	**17.2**	**17.0**	**17.0**	**17.0**
Wholesale Funding	0.8	0.9	2.6	3.3	2.8
ECB Funding	-	-	-	0.2	1.4
Other Liabilities	0.2	0.2	0.2	0.2	0.3
Total Liabilities	**19.0**	**18.3**	**19.8**	**20.7**	**21.5**
Total Equity (incl. AT1)	1.9	2.0	2.0	2.1	2.1
Total Equity and Liabilities	**20.9**	**20.3**	**21.8**	**22.8**	**23.6**
Key Metrics:					
NPLs	€1.1bn	€1.1bn	€1.7bn	€5.3bn	€5.9bn
LDR	79%	91%	93%	108%	111%
CET1 Ratio (Fully Loaded Basis)	15.1%	14.6%	12.2%	15.0%	14.9%

Interest Income Analysis

	Average Balances (€bn)		Yields (%)		Interest Income (€m)	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Tracker	8.1	9.4	1.2%	1.3%	104	115
Fixed and Variable	7.2	6.8	3.4%	3.6%	247	246
Consumer Finance	0.3	0.3	9.7%	10.5%	31	34
SME / CRE	0.2	0.1	3.0%	3.4%	7	3
Treasury Assets	4.5	3.0	0.1%	0.6%	5	24
Underlying Interest Income					394	422
Deferred Acquisition Costs and Accounting Adjustments					(18)	(21)
Total Interest Income					376	402

Interest Expense Analysis

	Average Balances (€bn)		Cost of Funds (%)		Interest Expense (€m)	
	FY 2020	FY 2019	FY 2020	FY 2019	FY 2020	FY 2019
Current Accounts	5.3	4.3	0.0%	0.0%	0	0
Retail Deposits	10.4	10.3	0.1%	0.2%	15	25
Corporate Deposits	1.9	2.4	0.5%	0.5%	10	13
Wholesale Funding	0.9	1.4	1.1%	0.5%	10	6
Underlying Interest Expense					35	45
Other						1
Total Interest Expense					35	46

Asset Quality

Loans and Advances to Customers Measured at Amortised Cost	31-Dec 2020 €m	31-Dec 2019 €m
Home Loans	12,338	12,260
Buy To Let	2,009	3,598
Total Residential Mortgages	14,347	15,858
SME / CRE	181	165
Consumer Finance	327	366
Total Measured at Amortised Cost	**14,855**	**16,389**
Analysed By ECL Staging		
Stage 1	10,575	10,999
Stage 2	3,152	4,340
Stage 3	1,127	1,048
POCI	1	2
	14,855	**16,389**
Neither past due nor Stage 3	13,692	15,295
Past due but not stage 3	35	44
Stage 3	1,128	1,050
Loss Allowance – Statement of Financial Position	**14,855**	**16,389**
Stage 1	55	44
Stage 2	286	439
Stage 3	387	335
Total Loss Allowance	**728**	**818**

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NPLs and NPAs

31-Dec20	Stage 3 Analysis Home Loan €m	Buy-To-Let €m	Commercial €m	Consumer Finance €m	Total €m
NPL is < 90 Days	464	319	28	1	812
NPL is > 90 Days and < 1 year past due	42	32	1	9	84
NPL is 1-2 years past due	42	14	-	1	57
NPL is 2-5 years past due	21	4	2	1	28
NPL is > 5 years past due	89	49	4	4	146
POCI	-	-	-	1	1
Non-performing loans	658	418	35	17	1,128
Foreclosed assets*	25	5	-	-	30
Non-performing assets	683	423	35	17	1,158
Gross Loans	12,338	2,009	181	327	14,855
NPLs as % of gross loans	5.3%	20.8%	19.3%	5.2%	7.6%

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

	31 Dec 20 Transitional €m	31 Dec 20 Fully Loaded €m	31 Dec 19 Transitional €m	31 Dec 19 Fully Loaded €m
Risk Weighted Assets	8,480	8,471	10,012	9,996
Capital Resources:				
Common equity tier 1	1,535	1,282	1,765	1,464
Additional Tier 1[1]	190	198	85	103
Tier 1 Capital	1,725	1,480	1,850	1,567
Tier 2 Capital	54	59	61	61
Total Capital	1,779	1,539	1.911	1,628
Capital Ratios:				
Common Equity Tier 1 Capital	18.1%	15.1%	17.6%	14.6%
Tier 1 Capital	20.3%	17.5%	18.5%	15.7%
Total Capital	21.0%	18.2%	19.1%	16.3%
Leverage Ratio[2]	8.2%	7.1%	9.1%	7.8%

	31 Dec 20 Transitional €m	31 Dec 20 Fully Loaded €m	31 Dec 19 Transitional €m	31 Dec 19 Fully Loaded €m
Total Equity	1,951	1,951	1,997	1,997
Less: AT1 Capital	(245)	(245)	(122)	(122)
Adjusted Capital	1,706	1,706	1,875	1,875
Prudential Filters:				
Intangible Assets	(72)	(72)	(66)	(66)
Deferred Tax	(213)	(343)	(170)	(337)
IFRS 9 Transitional Adjustment[3]	122	-	134	-
Others	(8)	(9)	(8)	(8)
Common Equity Tier 1 Capital	1,535	1,282	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 IFRS 9 own funds. This was further amended by the adoption of Regulation EU 2020/873 ("CRR Quick Fix")

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Thank You

End of Presentation