

# Annual Results 2023

Permanent TSB Group Holdings plc

7<sup>th</sup> March, 2024



# 2023



Eamonn Crowley,  
CEO



Nicola O'Brien,  
CFO



Business  
Update



Financial  
Performance



FY'24 & Medium  
Term Outlook



Appendix

# Business Performance

## FY 2023 Highlights

### Customers

Net Loans  
+10% from  
Dec'22

- Ulster Bank migration complete; providing gross interest income<sup>1</sup> of c. €170m in FY'23
- New Mortgage Market Share<sup>2</sup> of 19.2%, +70bps YoY
- Growth of Business Banking Book to >€1bn
- New brand launched Oct'23; over 20 years since last investment in brand

### Financial Performance

Net  
Interest  
Income  
+71% YoY

- Underlying Profit<sup>3</sup> of €166m, + €121m YoY
- NIM 2.32%; +78bps YoY
- Net Fees and Commission income performance remains strong
- Total Recurring Operating Expenses<sup>4</sup> +25% YoY; Cost Income Ratio<sup>5</sup> reduced by 18ppts to 66%

### Balance Sheet

Customer  
Deposits  
+6% from  
Dec'22

- Customer Deposits €23.0bn, +€1.3bn from Dec'22
- c. 70% of total Customer Deposits insured
- Performing Loans of €20.9bn, €1.8bn higher than Dec'22 (+9%)
- NPL ratio of 3.3%, in line with Dec'22; asset quality remains robust

### Capital

14.0%  
CET1 Fully  
Loaded

- 14.0% CET1 Fully Loaded, 120bps lower than Dec'22 due to Balance Sheet growth
- 19.7% Total Capital Fully Loaded, 160bps lower than Dec'22
- Restriction lifted on Distributions in Dec'23
- HoldCo upgraded to Investment Grade by Fitch in Feb'24

1. Excludes fair value unwind of €25m

2. BPFI data at 31 December 2023

3. Underlying Profit refers to Profit before Exceptional Items and Tax

4. Recurring Operating Expenses exclude a once off

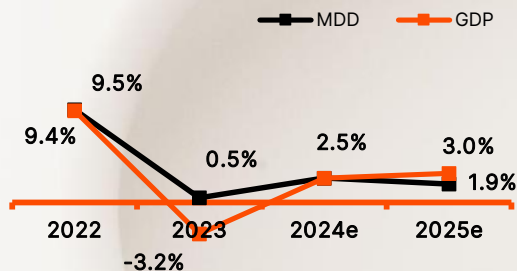
5. Non Recurring DGS Fee of €9m at FY'23 and any other costs included as Exceptional Items which are disclosed separately

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

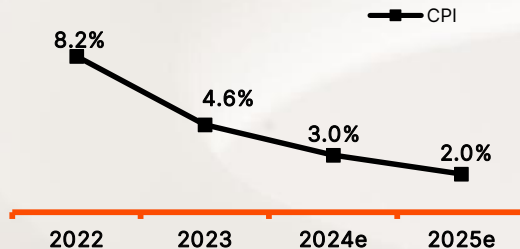
# Macroeconomic Outlook

## Strong Fundamentals Provide Positive Operating Environment

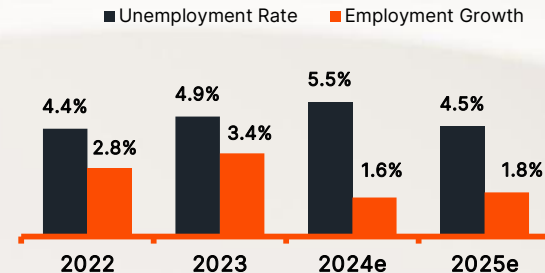
### GDP and MDD Growth (%)



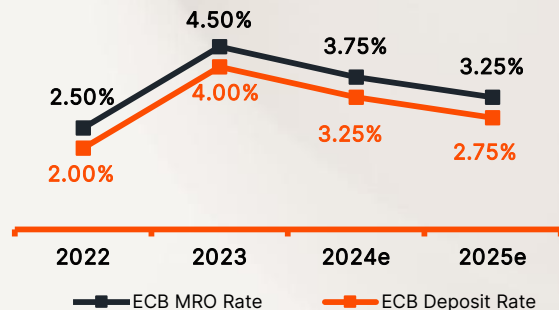
### CPI (Inflation %)



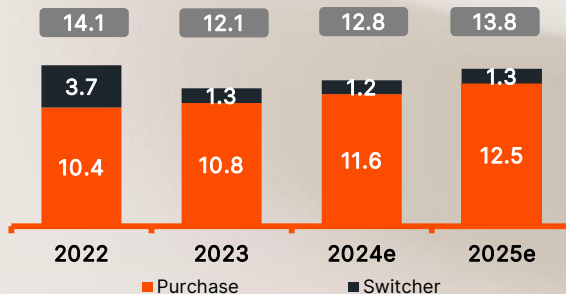
### Labour Market (%)



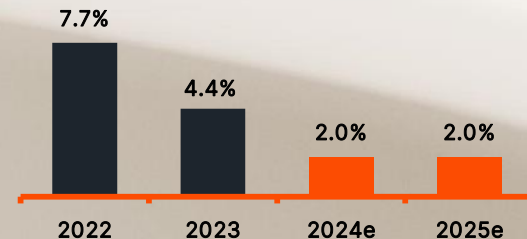
### ECB MRO & Deposit Rates<sup>1</sup> (%)



### Mortgage Market (€bn)



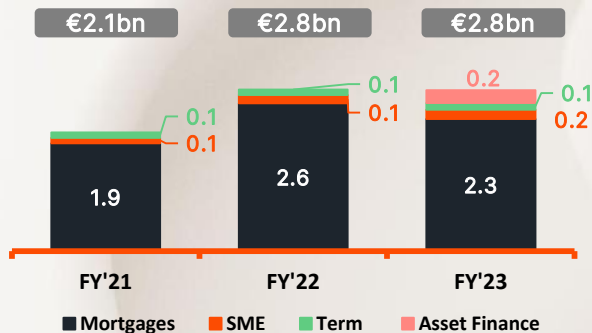
### House Price Growth (%)



# Delivering Strong, Diversified Commercial Performance

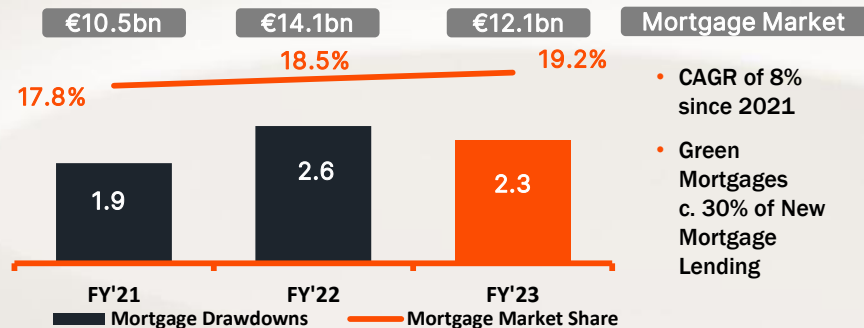
Total New Lending of €2.8 Billion

Total Customer New Lending (€bn)<sup>1</sup>



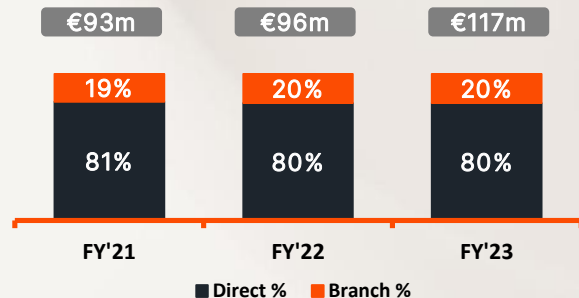
- CAGR of 11% since 2021
- Total Lending inclusive of FY'23 Asset Finance New Lending

Mortgage Drawdowns (€bn) & Market Share<sup>2</sup> (%)



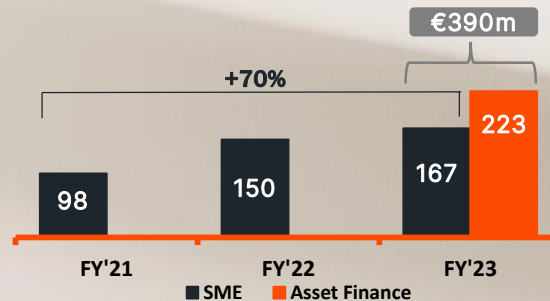
- CAGR of 8% since 2021
- Green Mortgages c. 30% of New Mortgage Lending

Personal Term Lending (€m) Channels<sup>3</sup> (%)



- CAGR of 8% since 2021
- New Term Lending €117m, +22% YoY

Business Banking Lending (€m)



- SME CAGR of 19% since 2021
- New SME Lending €167m, +11% YoY
- PTSB Asset Finance launched in Jul'23

# A Customer and Purpose Led Strategy

## Delivering Our Next Phase of Growth

Transforming the Bank, Differentiating on Customer Experience,  
Driving Sustainable Profits & Shareholder Returns

### Purpose

Working together to  
Build Trust with our  
Customers and Communities

### Ambition

To be Ireland's best Personal and  
Business Bank through Exceptional  
Customer Experiences

### Brand Promise

Altogether More Human

### Strategic Priorities Across 4 Key Pillars

Secure &  
Resilient  
Foundations

Investing in core capabilities in order to  
protect our customers and our  
colleagues

Connected  
Customer  
Experience

Combining the best of technology and  
our people together to deliver an  
'Altogether more human' exceptional  
customer experience

Sustainable  
Business  
Growth

Delivering sustainable profitability and  
incorporating Sustainability into our  
business practices and strategic  
decisions

Cultural  
Evolution

Living our values and promoting an  
open and inclusive, risk-aware culture  
that celebrates diversity and personal  
development

### With Foundational Capabilities

Risk Management & Regulation

Technology & Operational Resilience

Data & Analytics

# Brand and Business Repositioning

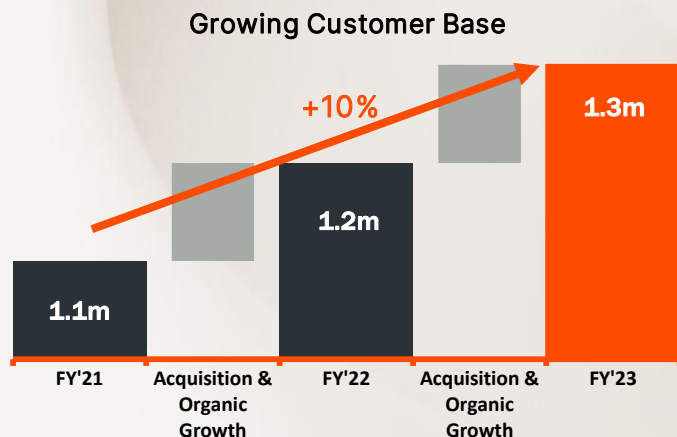
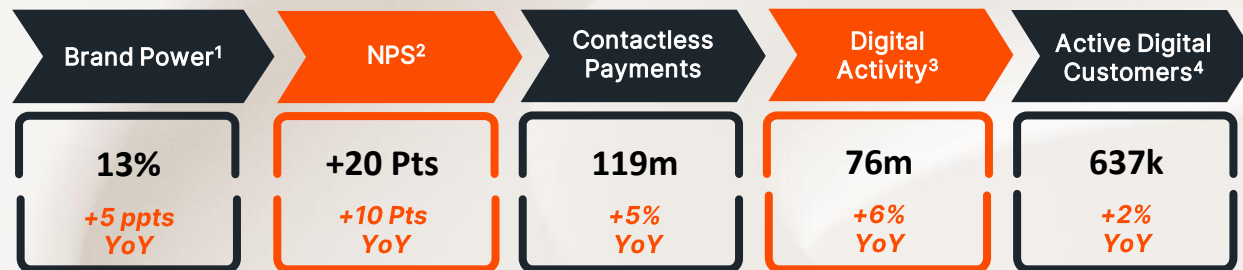
Launched in October 2023

- Major overhaul of brand and business repositioning
- Reflective of the larger scale and business diversification of the Bank, our customer focus and growing ambitions
- Launched new brand name, PTSB, visual identity, and customer promise
- At PTSB, we are 'Altogether more human'. We bring the best of technology and our people together to solve real customer needs and deliver a better banking experience
- Demonstrating through our products, reinforcing through our sponsorships
- Investing in improving customer experience



# Growing A More Active Customer Base

## Supporting Our Customers with Everyday Banking Needs



### Strategic Partnerships (FY'23)



c. €290m Mortgage Drawdowns (+80% YoY)



€82m Total Drawdowns over last 3 years



First Home Scheme Drawdowns c. €50m<sup>5</sup>

### Customer Awards



- Grand Prix Award
- Innovative Banking Product



- Best Customer Success Story
- Best Customer Service Team



- PTSB Protect - Best Innovation/New Feature Category



- PTSB Community Fund - Best Community or Charity Engagement

1. Brand Power refers to strength of the brand in the market relative to competitor set
2. Relationship Net Promoter Score (NPS) – an index (-100 to +100) measuring the willingness of customers to recommend a company's products/ service, as at Dec'23
3. Digital Activity is defined as successful log-ins on both mobile app and desktop, over previous 180 days
4. Active Digital Customer refers to both Mobile App and Desktop users, over previous 180 days
5. Drawdowns since First Home Scheme launched for Eligible First Time Buyers in Aug'22

# Sustainability

## Continuing to Build on Strong Foundations in a Responsible Way

Support Ireland's Transition to a Low Carbon Economy

### Environment



- c. €700m Green Mortgage Lending (+40% YoY); B3 Energy Rating or above; c. 30% of New Mortgage Lending



- Green Bond Framework launched in Feb'24



- Science-Based Targets (SBTs) H2'24



- Approved Climate-related & Environmental Risk Implementation Plan
- Sustainable Supplier Charter

Elevate our Social Impact & Enhance our Culture

### Social



- Title Sponsor of the Irish Olympic Team and the Irish Paralympic Team for Paris 2024



- 81% Culture Index, +11% above our Culture Index Target of 70%



- c. €19.4m in funding provided to the Social Finance Foundation<sup>1</sup> since 2009



- 58% Board Gender Diversity (+16ppts YoY)
- 15.9% Gender Pay Gap (-60bps YoY)

Grow Sustainable Profitability

### Governance & Disclosures



- Board approved Sustainability Strategy aligned to the SDGs<sup>2</sup> and a Sustainability Committee



- 'Low' ESG Risk Rating through Sustainability



- Issuance of the Bank's inaugural Task Force on Climate-Related Financial Disclosures (TCFD) Report



- Achieved CDP<sup>3</sup> rating of B indicating the Bank addresses its environmental impacts and ensures good environmental management

1. The Social Finance Foundation was established in 2007 by the Irish Government to address the needs of community organisations and social enterprises for loan funding which was difficult to obtain from mainstream financial institutions. Acting as a 'wholesaler', it provides funding to its lending partners Clann Credo and Community Finance Ireland

2. The United Nation's Sustainable Development Goals (SDGs) were launched in 2015 to provide a plan of action for people, planet and prosperity. While we recognise that we may contribute to all 17 SDGs in some way, we have identified 6 as being core to our Strategy

3. CDP (formerly the Carbon Disclosure Project) is the non-profit that runs the world's leading environmental disclosure platform



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Update



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Appendix

# Sustainable Profitability

## With Continued Business Momentum



Grow Diversified  
Income Streams



Efficient  
Organisation



Capital And  
Resource Allocation

Income Statement (€m)	FY'23 €m	FY'22 €m	YoY €m	YoY %	Net Interest Income	<ul style="list-style-type: none"><li>Supported by completion of Ulster Bank migration and interest rate environment</li></ul>															
Net Interest Income	620	362	258	71%	Non Interest Income	<ul style="list-style-type: none"><li>Strong performance maintained, supporting our increased customer base</li></ul>															
Non Interest Income	48	47	1	2%																	
Operating Income	668	409	259	63%																	
Operating Expenses	(444)	(344)	(100)	29%	Operating Expenses	<ul style="list-style-type: none"><li>Driven by inflation, enhanced customer service through large scale transaction driving increase in costs, while also paying for investment in the Bank</li></ul>															
Recurring Regulatory Charges	(51)	(51)	-	-																	
Underlying Operating Expenses	(495)	(395)	(100)	25%																	
Non Recurring Regulatory Charges <sup>1</sup>	(9)	-	(9)	-	Impairments	<ul style="list-style-type: none"><li>€2m release driven by favourable macroeconomic environment and quality of loan book</li><li>Cost of Risk of -1bp</li></ul>															
Total Operating Expenses	(504)	(395)	(109)	28%																	
Operating Profit / (Loss)	164	14	150	-																	
Impairments	2	31	(29)	(94%)	Exceptional Items	<table><tr><th>Exceptional Items Breakdown (€m)</th><th>FY'23</th><th>FY'22</th></tr><tr><td>NatWest/UB Transaction</td><td>(83)</td><td>239</td></tr><tr><td>Provision for Non Core Items</td><td>(4)</td><td>(4)</td></tr><tr><td>Restructuring &amp; Deleveraging</td><td>-</td><td>(13)</td></tr><tr><td>Total Exceptional Items</td><td>(87)</td><td>222</td></tr></table>	Exceptional Items Breakdown (€m)	FY'23	FY'22	NatWest/UB Transaction	(83)	239	Provision for Non Core Items	(4)	(4)	Restructuring & Deleveraging	-	(13)	Total Exceptional Items	(87)	222
Exceptional Items Breakdown (€m)	FY'23	FY'22																			
NatWest/UB Transaction	(83)	239																			
Provision for Non Core Items	(4)	(4)																			
Restructuring & Deleveraging	-	(13)																			
Total Exceptional Items	(87)	222																			
Underlying Profit / (Loss) <sup>2</sup>	166	45	121	269%																	
Exceptional Items	(87)	222	(309)	(139%)																	
Profit / (Loss) Before Tax	79	267	(188)	(70%)																	
Cost Income Ratio <sup>3</sup>	66%	84%		-18%																	
Return on Equity <sup>4</sup>	6.4%	0.6%		5.8%																	

1. Non Recurring Regulatory Charges refer to a one-off non recurring Deposit Guarantee Scheme ('DGS') Fee in FY23 of €9m

2. Underlying Profit refers to Profit before Exceptional Items and Tax

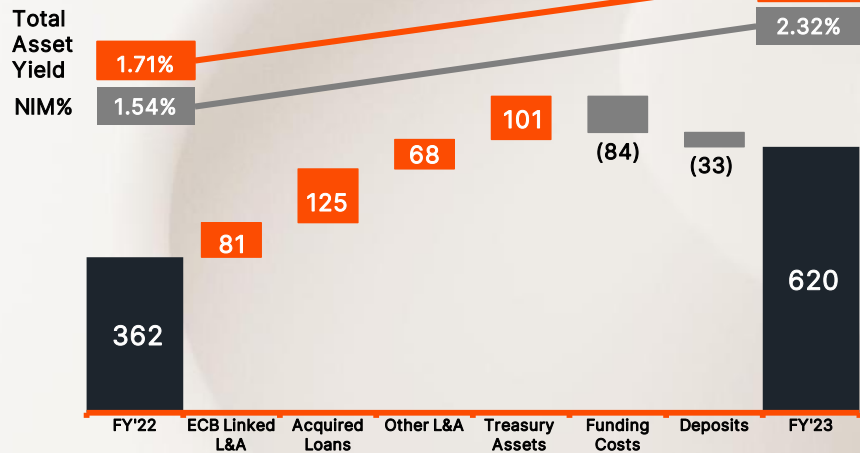
3. Cost Income Ratio is calculated as Operating Expenses (excl. Regulatory Charges and Exceptional Items) divided by Total Operating Income

4. Return on Equity (ROE) calculated as annualised Profits Attributable to Shareholders (excl. Exceptional Items & Non Recurring DGS Fee) divided by Notional Equity (i.e. average RWAs \* CET1 management requirement of c. 14.0%)

# Strong Operating Income Performance

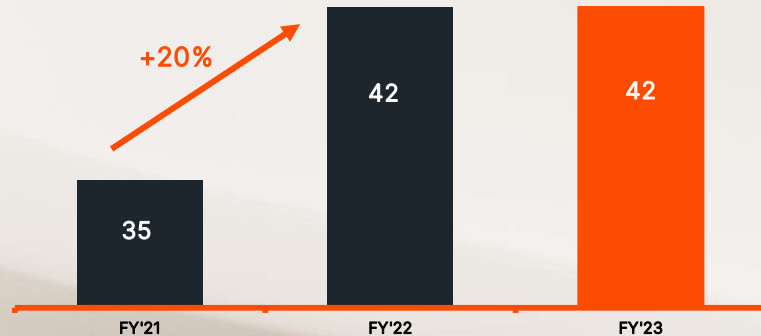
Benefitting from Higher Interest Rate Environment and Increasing Customer Base

Net Interest Income (€m)



- Net Interest Margin (NIM) of 2.32% (+78bps YoY)
- Asset Yield 2.91% (+120bps YoY); Cost of Funds 63bps (+45bps YoY)
- Increase from acquired loans is inclusive of c. €25m fair value unwind
- +/- 25bps change in interest rates results in a c. €10m change in Net Interest Income<sup>1</sup>

Net Fees & Commissions (€m)

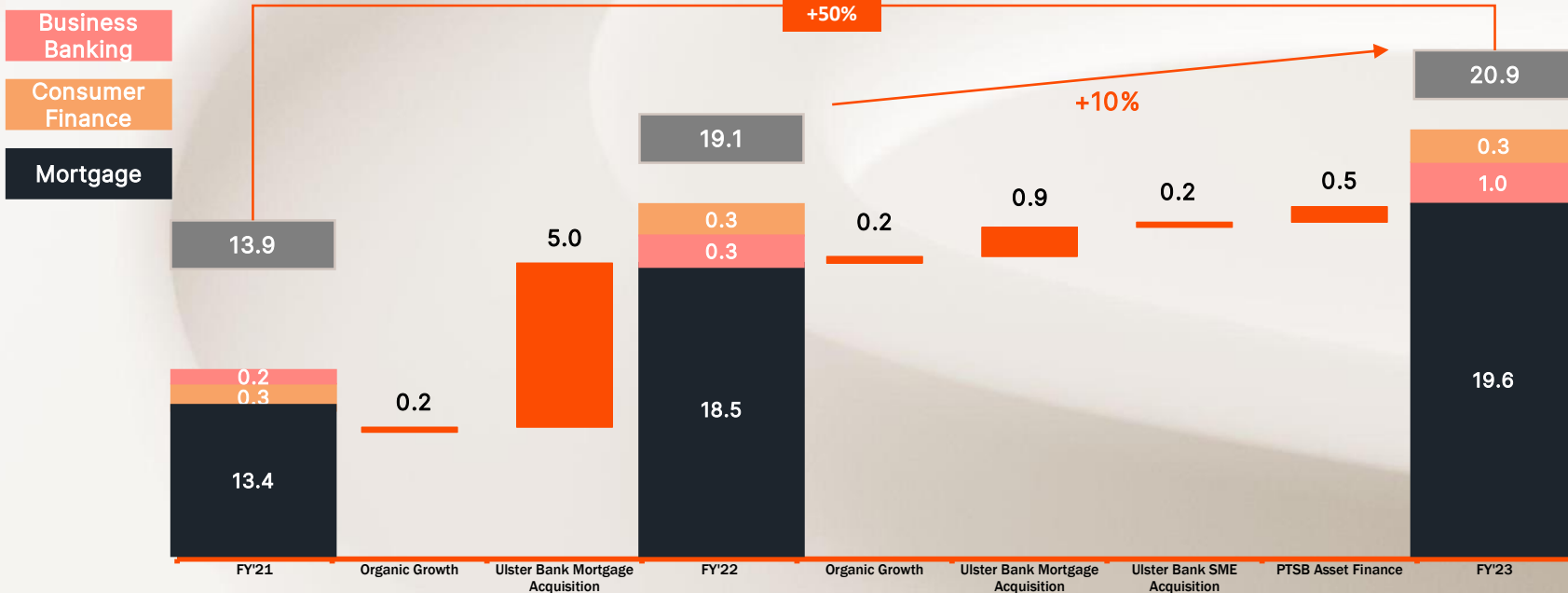


- +20% since FY'21, post opening of c. 120,000 new current accounts
- Continued momentum from a larger and more active customer base
- Current Account fee increase, effective Apr'24, will support YoY growth in FY'24

# Total Performing Loan Book Growth +9% Year on Year

## Building Diversification of Total Loans

Total Gross Performing Loans (€bn)



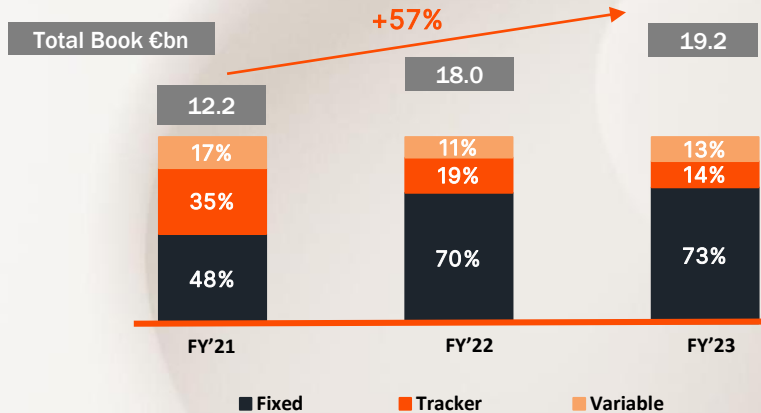
50% growth in the Performing Loan Book since FY'21

Through successful acquisition and strong new lending outpacing repayments and redemptions

# Performing Homeloan Book +7% Growth Year on Year

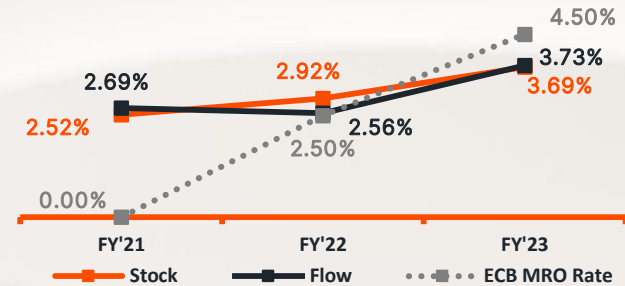
## Yield on New Flow +117bps

Performing Homeloan Book by Product (Mix %)

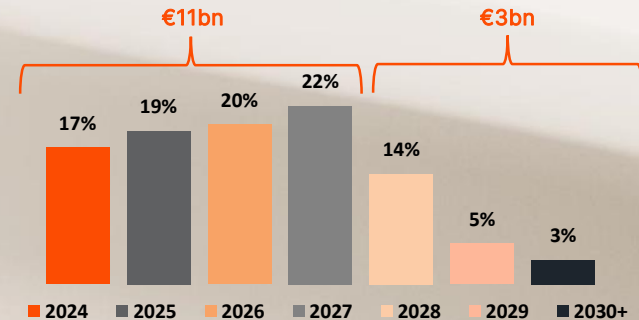


- Fixed Mortgages €14bn at Dec'23, +11% YoY
- Tracker Mortgages €2.7bn at Dec'23, -20% YoY
- Variable Mortgages €2.5bn at Dec'23, +26% YoY
- Managed price transformation of the fixed rate mortgage book to higher rate environment
- 94% of new mortgage lending in FY'23 comprised of Fixed rates

Homeloan Yield (%)



Fixed Rate Maturity Profile

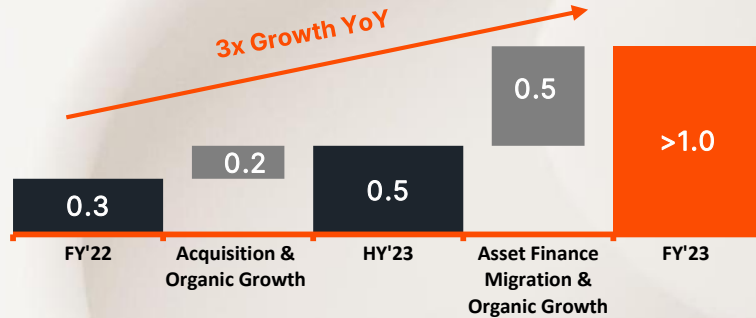


Home Loan Weighted Average LTV of 51%; New Mortgages Weighted Average LTV of 69%

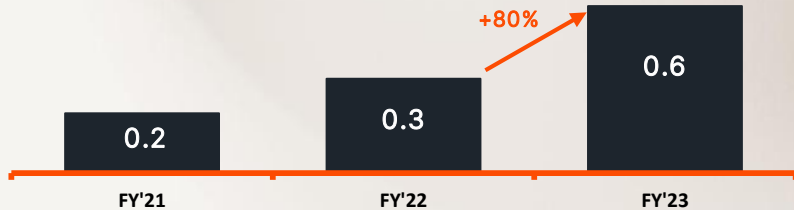
# Business Banking

Total Loan Book >€1bn

## Business Banking Book Movement<sup>1</sup> (€bn)



## SME Book Movement (€bn)



Performing SME Book has grown €300m YoY

- c. 50% Ulster Bank Micro-SME migration
- c. 50% organic growth

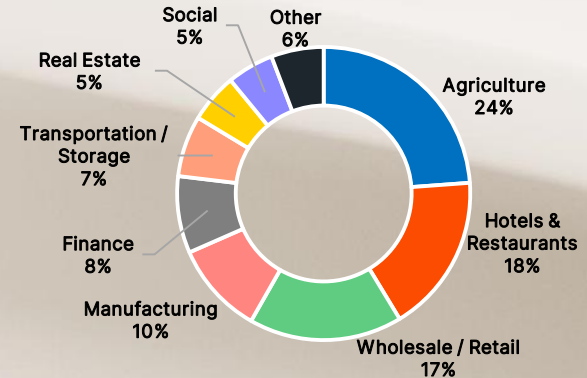
## Asset Finance Lending

Asset Finance Book of €0.5bn at Dec'23

New Lending c. €220m in 2023 (+16% since FY'21)

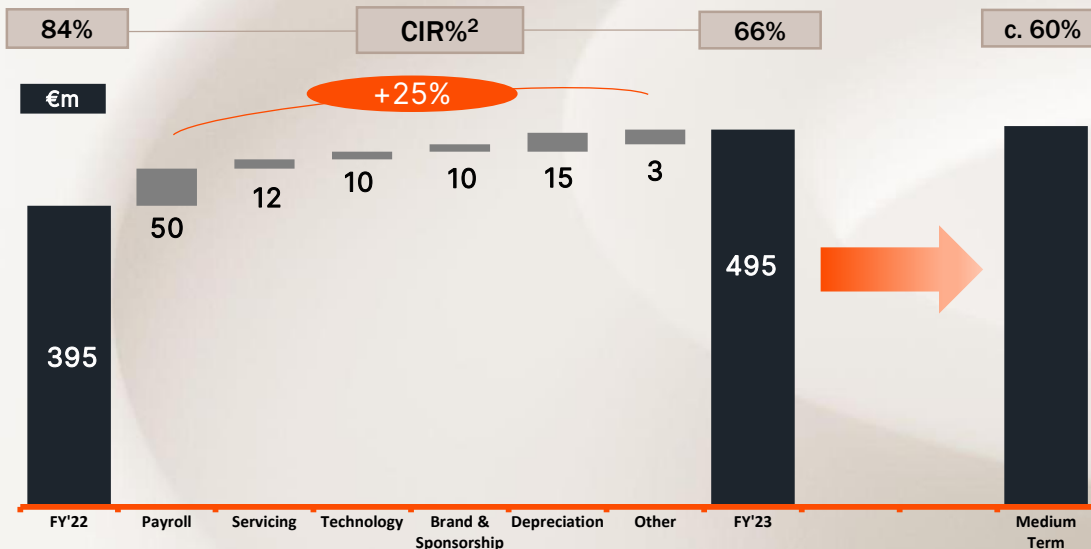
Supporting c. 18,000 customers nationwide

## SME Book by Sector (Dec'23)



# Underlying Operating Expenses<sup>1</sup>

## Higher Costs Supporting Larger Bank Through Large Scale Transaction



- Larger Scale of Business
  - Balance Sheet c. €28bn FY'23
  - +36% since FY'19
- Lower level of investment spend for 10 year period to 2018
- Investment level increased from 2019 across People, Customer, Digital & Technology, Branches, Brand & Sponsorship
- Higher Depreciation charge, €67m FY'23
- Refreshed brand and business repositioning for the first time in over 20 years
- Growth in Workforce - safely executing large scale transaction while servicing new and existing customers
- Focused approach to efficiency and effectiveness – opportunity to drive further efficiencies

### Medium Term Outlook

- Continue to make investment for the future, paying for it within overall Operating Cost base of c. €500m

Payroll	€m
Ulster Bank FTE	22
Servicing Customers	20
Wage inflation	8
<b>Total YoY Movement</b>	<b>50</b>

FTE <sup>3</sup>	2022	2023
Ulster Bank FTE	107 <sup>4</sup>	308 <sup>5</sup>
PTSB FTE	2,381	2,898
<b>Total FTE</b>	<b>2,488</b>	<b>3,206</b>

1. Underlying Operating Expenses are Total Operating Expenses excluding the once-off non recurring Deposit Guarantee Scheme Fee (DGS) of €9m in FY23  
 2. Cost Income Ratio is calculated as Operating Expenses (excl. Regulatory Charges and Exceptional Items) divided by Total Operating Income  
 3. FTE numbers exclude staff on Long Term Absence, Career Breaks and Maternity Leave  
 4. 107 Ulster Bank TUPED November 2022  
 5. Full Time Equivalent of Ulster Bank Transfers

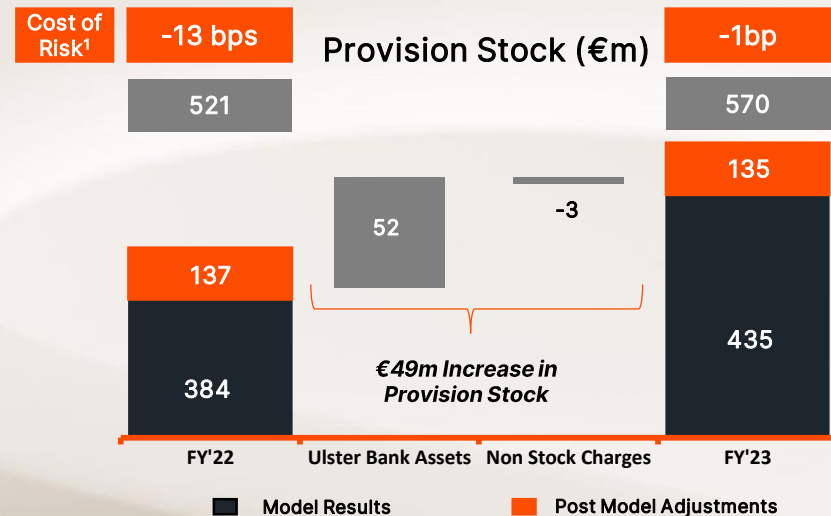
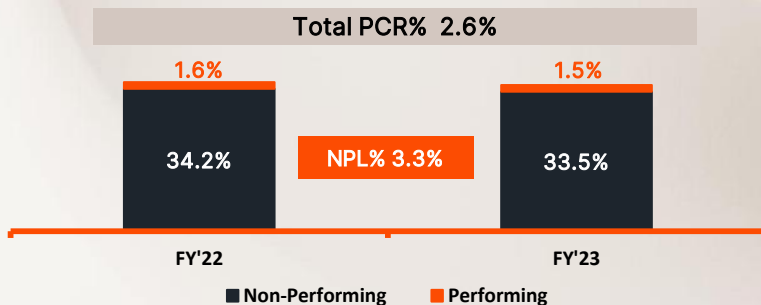
# Asset Quality Remains Robust

## No Evidence of Deterioration in Performance

### Impairment Release/(Charge) (€m)

Expected Credit Loss	FY'23	FY'22	FY'21
Model (Charge) / Release	(29)	14	(59)
Post Model Adjustments	21	10	54
Other P&L Items	10	7	6
<b>P&amp;L Impairment (Charge) / Release</b>	<b>2</b>	<b>31</b>	<b>1</b>
Capital Deduction for NPL Backstop	(13)	(11)	-

### Provision Coverage Ratio<sup>2</sup> By Status (%)



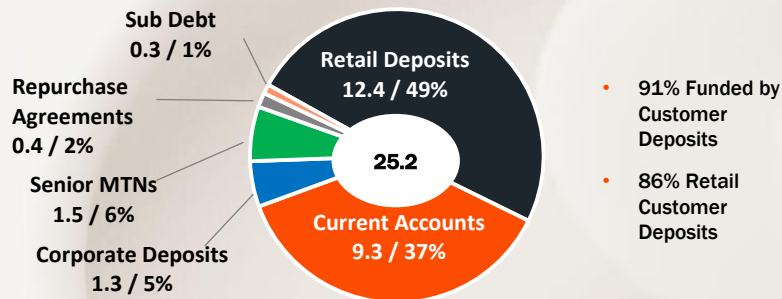
- Well provided for economic cycle; no evidence of deterioration despite elevated inflationary and interest rate environment
- Post Model Adjustments of €135m at Dec'23; broadly in line with prior year
- FY'24 Cost of Risk expected to be c. 10bps, subject to macroeconomic environment

### No Commercial Real Estate Exposure

# Continued Deposit Franchise Growth

## Funding Driven by Higher Deposits & Wholesale Funding

Total Funding Composition FY'23 (€bn / % share)



Liquidity and Funding Ratios

Ratio	Dec'22	Dec'23	European Bank Average <sup>1</sup>	PTSB v European Bank Average
LCR	178%	220%	161%	+59%
NSFR	154%	155%	126%	+29%
LDR	90%	93%	109%	-16%
Encumbrance	5%	3%	26%	-23%

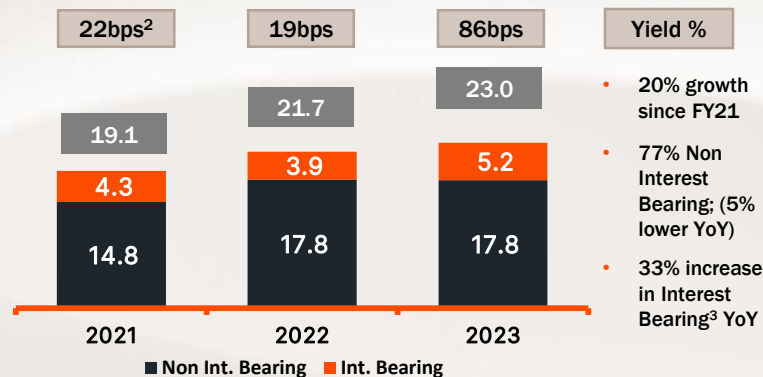
1. European Bank Averages based on Q3 2023 EBA Risk Dashboard

2. Annual cost of Interest Bearing Deposits

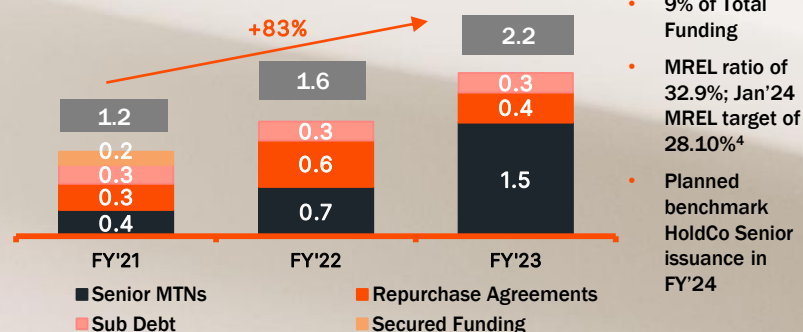
3. Interest Bearing deposits refer to Notice, Term and Corporate Deposits with the remainder classified as Non Interest Bearing

4. MREL regulatory requirement now inclusive of 1% Countercyclical Buffer ("CCyB")

Total Customer Deposits (€bn)



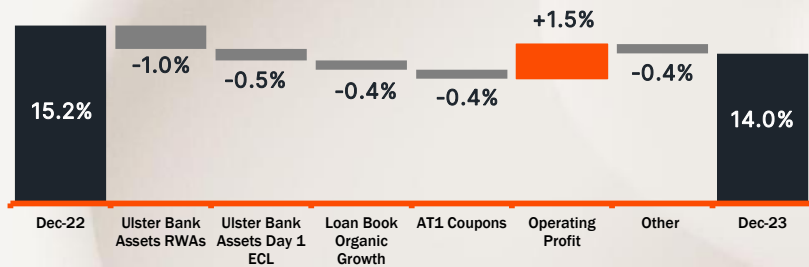
Wholesale Funding (€bn)



# Capital Ratios & RWAs

## Strong Capital Position Supports Growth Ambitions

### CET1 Fully Loaded Ratio Movement (%)

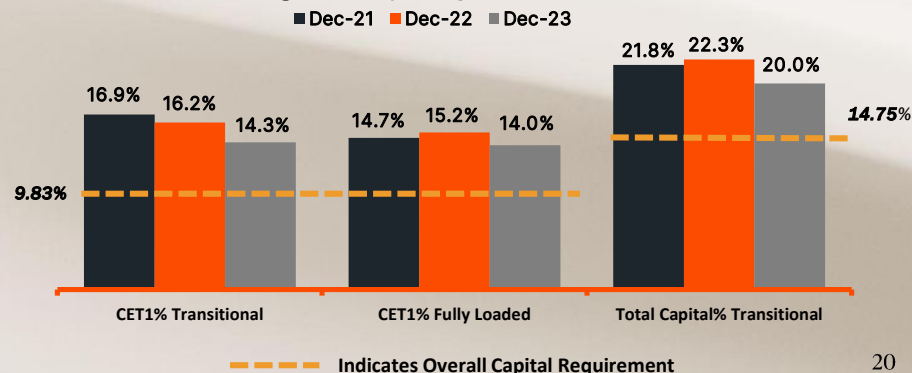


- Fully Loaded CET1 ratio 14.0% at FY'23; 120bps lower than FY'22
- Main drivers are:
  - RWAs on Migration of remaining Ulster Bank assets (c. -100bps)
  - Day 1 ECL on acquired Ulster Bank Assets (c. -50bps)
  - Net growth in Underlying Loan Book (c. -40bps)
  - AT1 Distributions (c. -40bps)
  - Other (c. -40bps); partly offset by
  - Operating Profit (c. +150bps)
- Management CET1 (Fully Loaded) Long Term Target is c. 14%

### Risk-Weighted Assets Movement (€bn)



### Regulatory Capital Ratios (%)



# IRB Model Review Underway

## Programme of Review With Outcome Expected End of 2025

### Risk Weight Densities

FY'23	EAD (€bn)	RWA (€bn)	Avg. Risk Weight %
Residential Mortgages	20.2	8.2	40.4%
SME	0.5	0.5	91.3%
Asset Finance	0.5	0.4	81.4%
Consumer Finance	0.9	0.4	40.6%
<b>Total Customer Lending</b>	<b>22.1</b>	<b>9.4</b>	<b>42.6%</b>

- PTSB models were built (in 2017) when non-performing loans were at a peak level. The profile of the PTSB portfolio has substantially improved following deleveraging and both organic and in-organic growth
- The models will be updated to capture a more reflective view of the improved credit risk of the current and future PTSB portfolio, with an outcome expected end of 2025
- Strong leverage ratio<sup>1</sup> of 7.2%

# Strong Performance with Business Momentum

## Economic and Market Backdrop Supporting Growth Ambitions

FY'23 Actuals		FY'23 Guidance
19.2%	New mortgage business market share of 19.2%, +70 bps YoY	18-20%
€1bn	Total Business Banking Book growing in line with expectations	€1bn
€668m	Strong Total Income performance, impacted in H2'23 by a lower Deposit market	c. €680m
66%	Cost Income Ratio <sup>1</sup> , 18 ppts lower YoY	< 65%
-1bps	Impairment Release with favourable macro economic environment and robust asset quality	c. 10bps
14.0%	Management medium-term target in line with guidance of c. 14% CET1	14.0%
€166m	Underlying Profit <sup>2</sup> , supported by c. €170m of gross interest Income from assets acquired	c. €180m
c. 6%	Underlying ROE% <sup>3</sup> has increased by 5.8 ppts YoY, building future returns	c. 8%

Reshaped & Building For the Future



Business  
Update



Financial  
Performance



FY'24 & Medium  
Term Outlook



Appendix

# A Customer and Purpose Driven Strategy

## Pivoting the Bank for Future Growth

### Strategic Achievements To Date 2019 - 2023

A Larger More Active Customer Base;  
c. 1.3m +10% Growth since 2021



- ✓ Balance Sheet Assurance; NPL Ratio reduced to 3.3%; Better Quality of Earnings



- ✓ Ulster Bank Acquisition Successfully Executed; 88k New Customers



- ✓ Digital Resilience & Innovation; Personal Customers Everyday Banking Activity Online

- ✓ Dividend Restrictions Lifted (Dec'23)

### Strategy to Unlock further Growth Over the Medium Term

Grow Balance Sheet & Organic Capital



- Focused Approach to Efficiency & Effectiveness



- Improve Customer Experience; Grow Digital Adoption across Sales & Service



- Simplification of Products & Processes, bringing Excellence in Digitisation & Robotics

- Leverage Data to Deepen Customer Relationships; Improve Average Customer Product Holdings

### Multiple Catalysts to Deliver Meaningful Returns

Deliver Meaningful Shareholder Returns  
Over the Medium Term



- Protect & Grow Deposit Franchise



- Price Assets for Appropriate RAROC - Margin Over Volumes



- Prioritise Cost Efficiency & Optimisation

- IRB Credit Model Review - Optimising Capital

# Outlook FY2024

## A Customer and Purpose Driven Strategy

### Returns

Organic Capital Generation

Positive RoE<sup>1</sup>

Distribution Policy to be announced in H2'24

### Income

NIM<sup>2</sup> c. 2.25%

Total Income broadly in line YoY

### Operating Expenses

Mid single digit higher YoY

CIR<sup>3</sup> c. 70%

### Asset Quality

Cost of Risk c. 10bps

Well provided for economic cycle

# Medium Term Targets

## Delivering Meaningful Future Returns

	Previous Guidance (FY'25)	Revised Guidance (FY'26)	Key Catalysts
Net Interest Margin	c. 2.50%	c. 2.30%	<ul style="list-style-type: none"> <li>• Slow down in Deposit Market together with higher volumes of Term Deposits impacting previous NIM guidance</li> <li>• Deposit Led Lender; Managed Cost of Funds remains differentiator</li> <li>• Managed fixed rate mortgage repricing benefitting NIM across the medium term</li> <li>• Rigorous cost management - delivering efficiencies to pay for future investment in the business</li> <li>• Strict underwriting criteria and continuation of strong economy resulting in low cost of risk</li> </ul>
Cost/ Income Ratio <sup>1</sup>	c. 55%	c. 60%	
Cost of Risk	c. 30 bps	< 30 bps	
RoE <sup>2</sup>	c. 11%	c. 10%	
EPS <sup>3</sup>	c. 40c	c. 30c	
CET1 Target	>14%	>14%	

Medium Term Guidance Does Not Assume Changes to Risk Weight Densities or Distributions

1. Cost Income Ratio is calculated as Operating Expenses (excl. Regulatory Charges and Exceptional Items) divided by Total Operating Income  
 2. Return on Equity (ROE) calculated as annualised Profits Attributable to Shareholders (excl. Exceptional Items & Non Recurring DGS Fee) divided by Notional Equity (i.e. average RWAs \* CET1 management requirement of c. 14.0%)  
 3. Earnings per Share excludes Exceptional Items



Business  
Update



Financial  
Performance



FY'24 & Medium  
Term Outlook



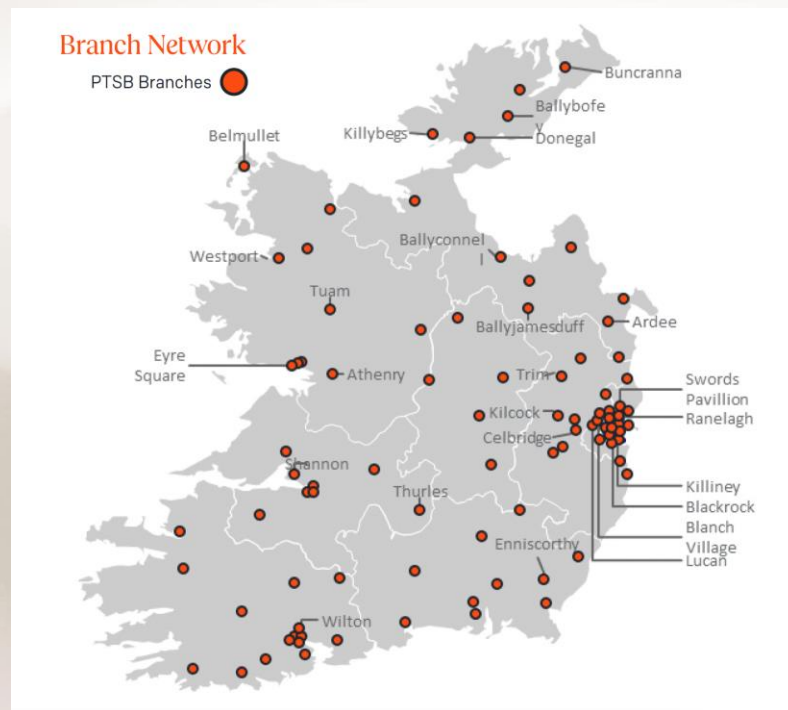
Appendix

# Customer Focused Retail and Business Bank

## Business Overview (Dec'23)

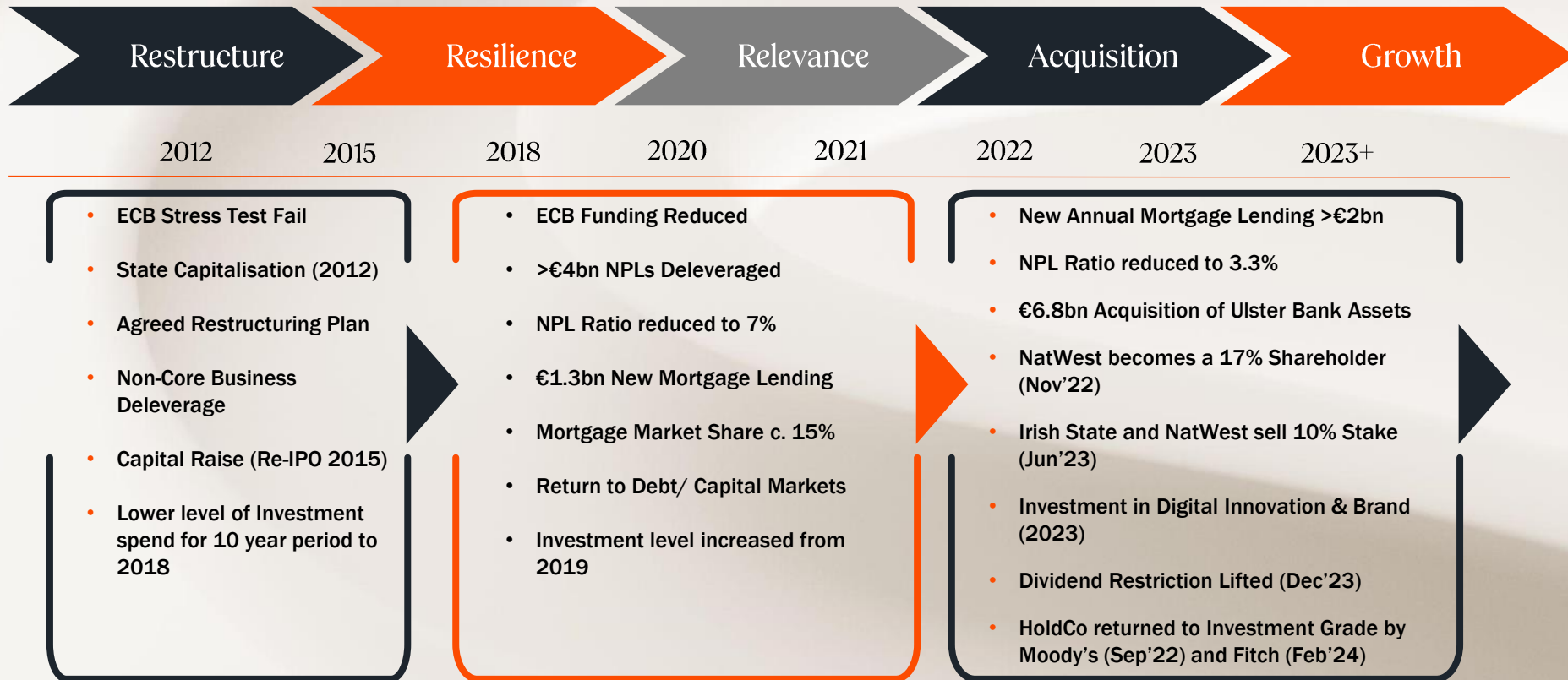
<b>€20.9bn</b>	<b>€9.3bn</b>	<b>€12.4bn</b>
Performing Loan Book	Current Account Balances	Retail Deposit Balances
<b>c. 24%</b>	<b>12.2%</b>	<b>11.4%</b>
Residential Mortgages <sup>1</sup> Market Share	Current Account Balances <sup>2</sup> Market Share	Retail Deposit Balances <sup>2</sup> Market Share
<b>€27.8bn</b>	<b>€0.9bn/0.4x</b>	<b>14.3%</b>
Total Assets	Market Cap/ Price:Book Value <sup>3</sup>	CET1 Ratio (Transitional)

## 98 Branches in Communities Across the Republic of Ireland



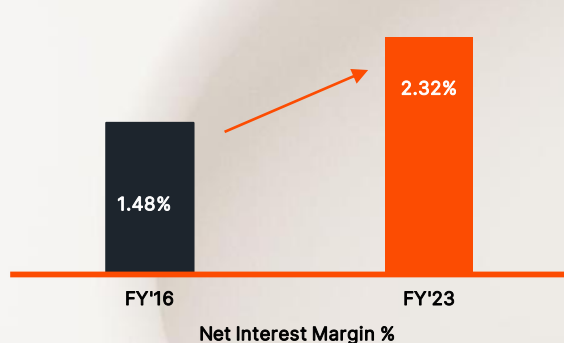
1. % Market Share of Stock of Mortgages as at December 2023. Source: Davy
2. Data based on balances as at December 2023. Source: CSI
3. As at 6<sup>th</sup> March, 2024

# PTSB Has Been Rebuilt Over The Last 10 Years

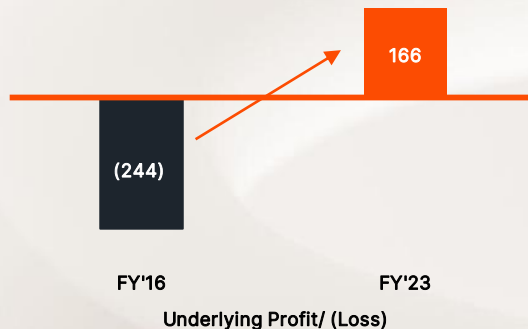


# A Safe, Resilient and Growing Bank

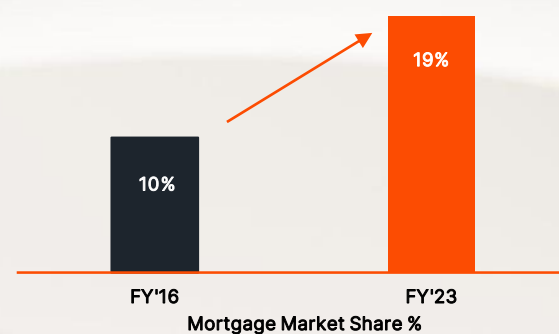
Margins have increased



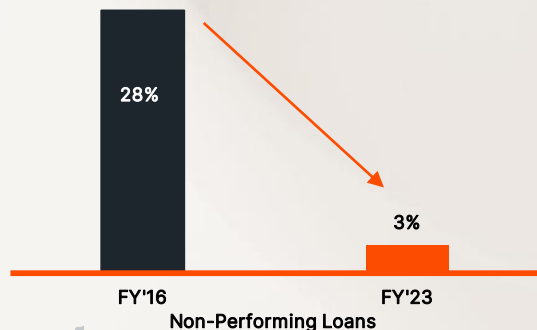
Sustainable returns now being generated



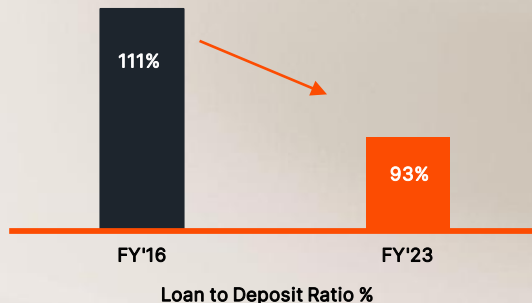
Key mortgage provider to the Irish market



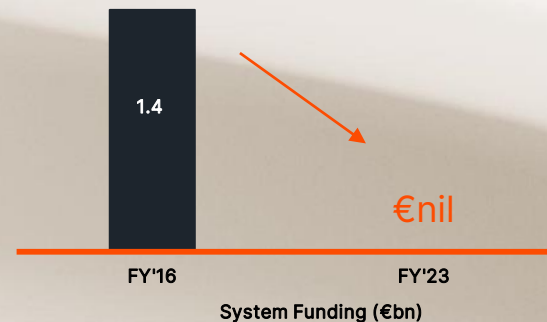
Asset quality materially improved



Funding base transformed

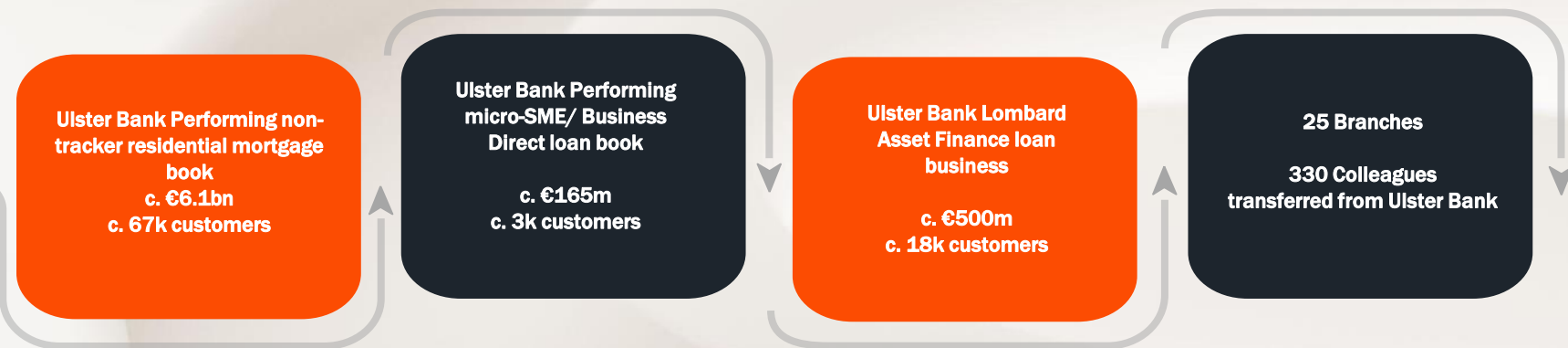


Emergency measures no longer required



# Transformational Transaction Now Complete

## New Businesses, Customers and Colleagues



### A Transformative Deal for PTSB

- ✓ Greater scale and diversification to compete and grow the business
- ✓ Increased branch footprint with a greater geographical spread
- ✓ Experienced workforce to support growth
- ✓ A larger and more active customer base, c. 88k new customers as a result of the Transaction



+ c. 40% In Mortgage Book



+ c. 200% in Business Banking Book



+ c. 30% in Branch Network

# Historical Financial Information

## Income Statement

€m	FY'23	FY'22	FY'21	FY'20	FY'19
Net Interest Income	620	362	313	341	356
Other Income	48	47	48	34	58
<b>Total Income</b>	<b>668</b>	<b>409</b>	<b>361</b>	<b>375</b>	<b>414</b>
Total Operating Expenses (Before Exceptional Items)	(504)	(395)	(345)	(323)	(330)
<b>Operating Profit / (Loss)</b>	<b>164</b>	<b>14</b>	<b>16</b>	<b>52</b>	<b>84</b>
Impairment (Charge) / Release	2	31	1	(155)	(10)
<b>Profit / (Loss) Before Exceptional Items</b>	<b>166</b>	<b>45</b>	<b>17</b>	<b>(103)</b>	<b>74</b>
Exceptional Items (Net)	(87)	222	(38)	(63)	(32)
<b>Profit / (Loss) Before Tax</b>	<b>79</b>	<b>267</b>	<b>(21)</b>	<b>(166)</b>	<b>42</b>

Key Metrics	FY'23	FY'22	FY'21	FY'20	FY'19
Net Interest Margin	2.32%	1.54%	1.51%	1.73%	1.80%
Cost Income Ratio <sup>1</sup>	66%	84%	82%	73%	80%

# Interest Income Analysis

	Average Balances (€bn) <sup>1</sup>		Yields (%)		Interest Income (€m)	
	FY'23	FY'22	FY'23	FY'22	FY'23	FY'22
Tracker	3.6	5.4	5.1%	1.7%	180	91
Fixed and Variable	16.3	9.2	2.9%	3.1%	474	290
Consumer Finance	0.3	0.3	10.4%	9.4%	31	28
SME / CRE	0.8	0.3	5.1%	3.4%	38	10
Treasury Assets	6.0	8.4	2.0%	0.2%	117	16
<b>Underlying Interest Income</b>					<b>840</b>	<b>435</b>
Deferred Acquisition Costs and Accounting Adjustments <sup>2</sup>					(62)	(32)
<b>Total Interest Income</b>					<b>778</b>	<b>403</b>

# Interest Expense Analysis

	Average Balances (€bn) <sup>1</sup>		Cost of Funds (%)		Interest Expense (€m)	
	FY'23	FY'22	FY'23	FY'22	FY'23	FY'22
Current Accounts	9.3	7.9	0.0%	0.0%	-	-
Retail Deposits	12.0	11.0	0.2%	0.0%	25	4
Corporate Deposits	1.1	1.2	1.6%	0.5%	18	6
Wholesale Funding	2.5	1.7	4.5%	1.4%	115	24
System Funding	-	0.6	-	1.2%	-	7
<b>Total Interest Expense</b>					<b>158</b>	<b>41</b>

# Operating Expenses

## Higher Operating Expenses Supporting Larger Bank through Large Scale Transaction

Cost Base Analysis	FY'23 €m	FY'22 €m	YoY €m	YoY %
Staff Costs <sup>1</sup>	213	164	50	+30%
Other Costs	164	128	35	+27%
<b>Total Addressable Costs</b>	<b>377</b>	<b>292</b>	<b>85</b>	<b>+29%</b>
Depreciation	67	52	15	+29%
<b>Operating Expenses</b>	<b>444</b>	<b>344</b>	<b>100</b>	<b>+29%</b>
Recurring Regulatory Charges	51	51	-	-
<b>Underlying Operating Expenses</b>	<b>495</b>	<b>395</b>	<b>100</b>	<b>+25%</b>
Non Recurring Regulatory Charges <sup>2</sup>	9	-	9	-
<b>Total Operating Expenses</b>	<b>504</b>	<b>395</b>	<b>109</b>	<b>+28%</b>
<b>Cost Income Ratio<sup>3</sup></b>	<b>66%</b>	<b>84%</b>	<b>-</b>	<b>-18%</b>
<b>Average FTE<sup>4</sup></b>	<b>2,907</b>	<b>2,352</b>	<b>555</b>	<b>+24%</b>
<b>Closing FTE<sup>4</sup></b>	<b>3,206</b>	<b>2,488</b>	<b>718</b>	<b>+29%</b>

- BAU Operating Expenses increase YoY of 25%, in line with previous guidance
- Once-Off payment to staff, to help to alleviate inflationary pressure on staff (€3m)
- FY'24 Outlook foresees the Bank's CIR% increase slightly to c. 70% driven by continued investment for future efficiencies and an increased resourcing cost base

# Historical Financial Information

## Balance Sheet

€bn	Dec'23	Dec'22	Dec'21	Dec'20	Dec'19
Total Loan Book (net)	21.5	19.6	14.2	14.2	15.6
Treasury Assets	5.3	5.3	6.7	5.9	3.6
Other Assets	1.0	1.0	1.3	0.8	1.1
<b>Total Assets</b>	<b>27.8</b>	<b>25.9</b>	<b>22.2</b>	<b>20.9</b>	<b>20.3</b>
Retail Deposits (Incl. Current Accounts)	21.7	20.6	17.7	16.3	15.0
Corporate & Institutional	1.3	1.1	1.3	1.7	2.2
<b>Total Customer Deposits</b>	<b>23.0</b>	<b>21.7</b>	<b>19.1</b>	<b>18.0</b>	<b>17.2</b>
Wholesale Funding	1.9	1.3	0.9	0.8	0.9
Other Liabilities	0.5	0.5	0.5	0.2	0.2
<b>Total Liabilities</b>	<b>25.4</b>	<b>23.5</b>	<b>20.4</b>	<b>19.0</b>	<b>18.3</b>
Total Equity (incl. AT1)	2.4	2.4	1.8	1.9	2.0
<b>Total Equity and Liabilities</b>	<b>27.8</b>	<b>25.9</b>	<b>22.2</b>	<b>20.9</b>	<b>20.3</b>

Key Metrics	FY'23	FY'22	FY'21	FY'20	FY'19
NPLs	€0.7bn	€0.7bn	€0.8bn	€1.1bn	€1.1bn
LDR	93%	90%	75%	79%	91%
CET1 Ratio (Fully Loaded Basis)	14.0%	15.2%	15.3%	15.1%	14.6%

# Balance Sheet Composition

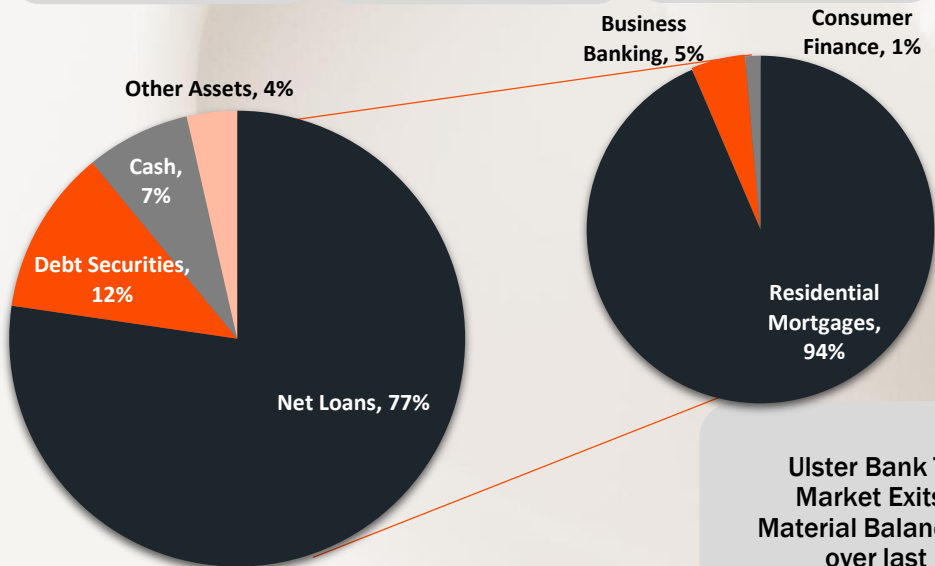
December '23

## Asset Composition Dec'23

€27.8bn  
Total Assets

€21.5bn  
Net Loans

7%  
YoY Asset  
Growth

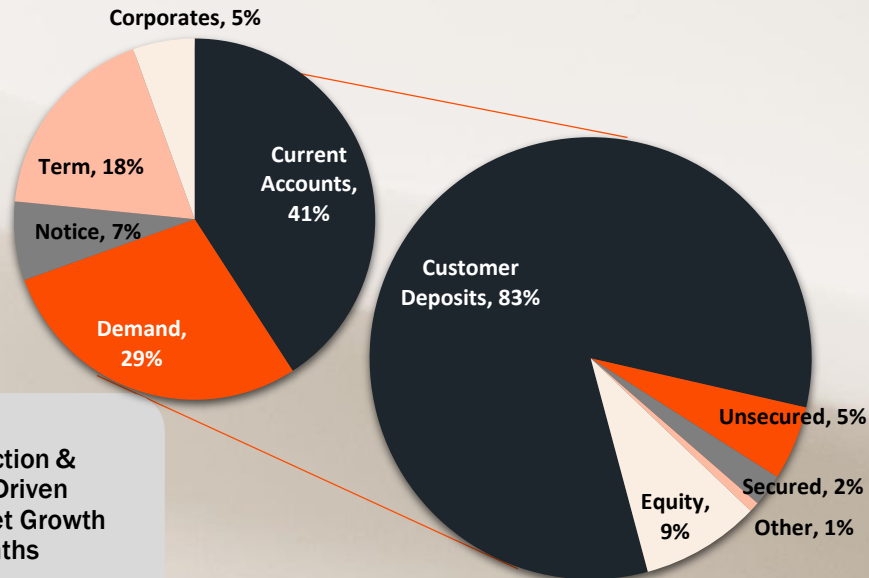


## Funding Composition Dec'23

€23.0bn  
Customer  
Deposits

93%  
LDR

6%  
YoY Deposit  
Growth



Ulster Bank Transaction &  
Market Exits have Driven  
Material Balance Sheet Growth  
over last 15 Months

# Asset Quality

Loans and Advances to Customers

Measured at Amortised Cost

Residential mortgages:

Home Loans

Buy To Let

Total Residential Mortgages

Commercial

Consumer Finance

Finance leases and hire purchase receivables

Total Measured at Amortised Cost

**Analysed By ECL Staging:**

Stage 1

Stage 2

Stage 3

POCI

Total Measured at Amortised Cost

Of which at the reporting date:

Neither past due nor Stage 3

Past due but not Stage 3

Stage 3

Total Measured at Amortised Cost

**Loss Allowance – Statement of Financial Position**

Stage 1

Stage 2

Stage 3

Total Loss Allowance

	Dec'23	Dec'22
	€m	€m
	19,557	18,340
	749	824
	20,306	19,164
	437	239
	499	401
	446	-
	21,688	19,804
	19,057	17,455
	1,913	1,699
	718	649
	-	1
	21,688	19,804
	20,909	19,118
	61	36
	718	650
	21,688	19,804
	165	136
	164	163
	241	222
	570	521

# NPLs and NPAs

## Dec'23

NPL is < 90 Days	167
NPL is > 90 Days and < 1 year past due	77
NPL is 1-2 years past due	44
NPL is 2-5 years past due	60
NPL is > 5 years past due	55
POCI	-
Non-performing loans	403
Foreclosed assets <sup>1</sup>	2
Non-performing assets	405
Gross Loans	19,557
NPLs as % of gross loans	2.1%

## Dec'22

NPL is < 90 Days	175
NPL is > 90 Days and < 1 year past due	31
NPL is 1-2 years past due	31
NPL is 2-5 years past due	51
NPL is > 5 years past due	54
POCI	-
Non-performing loans	342
Foreclosed assets*	3
Non-performing assets	345
Gross Loans	18,340
NPLs as % of gross loans	1.9%

## Stage 3 Analysis

Home Loan	Buy-To-Let	SME/ Commercial	Consumer Finance	Finance leases and hire purchase receivables	Total
€m	€m	€m	€m	€m	€m
167	86	11	4	6	274
77	51	2	4	4	138
44	16	1	2	1	64
60	86	1	2	1	150
55	28	5	4	-	92
-	-	-	-	-	-
403	267	20	16	12	718
2	9	-	-	-	11
405	276	20	16	12	729
19,557	749	437	499	446	21,688
2.1%	35.6%	4.6%	3.2%	2.7%	3.3%

## Stage 3 Analysis

Home Loan	Buy-To-Let	SME/ Commercial	Consumer Finance	Finance leases and hire purchase receivables	Total
€m	€m	€m	€m	€m	€m
175	118	17	2	-	312
31	15	-	3	-	49
31	80	-	2	-	113
51	28	-	2	-	81
54	29	6	5	-	94
-	-	-	1	-	1
342	270	23	15	-	650
3	15	-	-	-	18
345	285	23	15	-	668
18,340	824	239	401	-	19,804
1.9%	32.8%	9.6%	3.7%	-	3.3%

# Regulatory Capital

	Dec'23		Dec'22	
	Transitional €m	Fully Loaded €m	Transitional €m	Fully Loaded €m
<b>Risk Weighted Assets</b>	<b>11,546</b>	<b>11,546</b>	10,627	10,627
<b>Capital Resources:</b>				
Common equity tier 1	1,647	1,616	1,718	1,616
<b>Additional Tier 1</b>	<b>368</b>	<b>368</b>	369	369
<b>Tier 1 Capital</b>	<b>2,015</b>	<b>1,984</b>	2,087	1,985
Tier 2 Capital	290	290	282	282
<b>Total Capital</b>	<b>2,305</b>	<b>2,274</b>	2,369	2,267
<b>Capital Ratios:</b>				
Common Equity Tier 1 Capital	14.3%	14.0%	16.2%	15.2%
Tier 1 Capital	17.5%	17.2%	19.6%	18.7%
Total Capital	20.0%	19.7%	22.3%	21.3%
<b>Leverage Ratio<sup>1</sup></b>	<b>7.3%</b>	<b>7.2%</b>	8.0%	7.7%

	Dec'23		Dec'22	
	Transitional €m	Fully Loaded €m	Transitional €m	Fully Loaded €m
<b>Total Equity</b>	<b>2,419</b>	<b>2,419</b>	2,398	2,398
Less: AT1 Capital	(368)	(368)	(369)	(369)
<b>Adjusted Capital</b>	<b>2,051</b>	<b>2,051</b>	2,029	2,029
<b>Prudential Filters:</b>				
Intangible Assets	(95)	(95)	(86)	(86)
Deferred Tax	(277)	(308)	(247)	(309)
IFRS 9 Transitional Adjustment <sup>2</sup>	-	-	41	-
Calendar Provisioning	(24)	(24)	(11)	(11)
AT1 Distribution Accruals	(7)	(7)	(7)	(7)
Others	1	1	(1)	-
<b>Common Equity Tier 1 Capital</b>	<b>1,647</b>	<b>1,616</b>	1,718	1,616

1. The Leverage ratio is calculated by dividing Tier 1 capital by gross balance sheet exposure (total assets and off balance sheet exposures)
2. 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

# 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.

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# Thank You

End of Presentation

