



*Members of the Irish Olympic Team and the Irish Paralympic Team pictured at the launch of Permanent TSB's title sponsorship of Team Ireland for the 2024 Games in Paris.*

We are a community serving the community

# 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](http://www.permanenttsbgroup.ie)

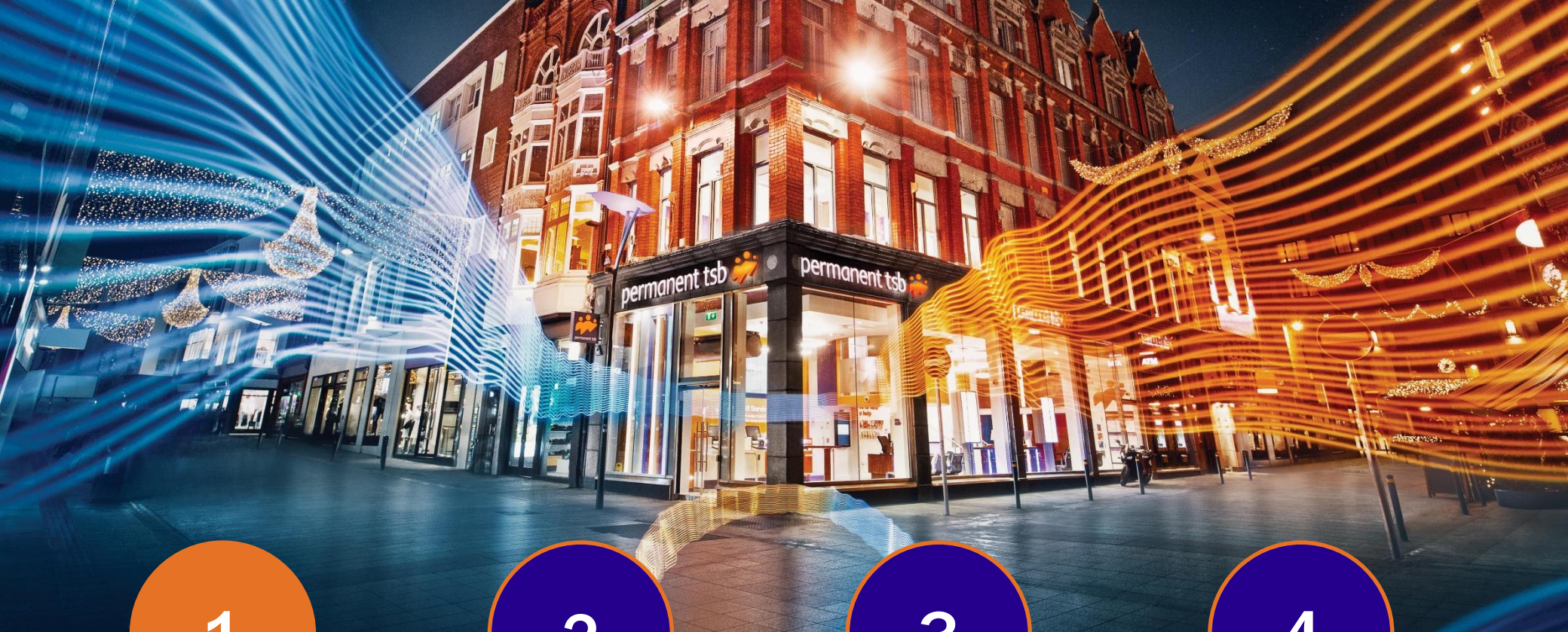


**Eamonn Crowley,**  
CEO



**Nicola O'Brien,**  
CFO





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**Eamonn Crowley, CEO**

# Business Performance

## Half Year 2023 Highlights



Customers	New Lending €1.4bn +36% YoY	<ul style="list-style-type: none"> <li>Ulster Bank transaction now complete; €6.75bn assets acquired</li> <li>New Mortgage Market Share<sup>1</sup> of 23.1%, 6.8% higher YoY</li> <li>1.2m customers, +6% YoY, larger and more active customer base</li> <li>Asset Finance business successfully migrated, leading to a more diverse product offering</li> </ul>
Financial Performance	Profit Before Tax €26m	<ul style="list-style-type: none"> <li>Underlying Profit<sup>2</sup> €86m ; +€88m YoY   RoE c. 7%<sup>3</sup></li> <li>Net Interest Income €298m; +92% YoY   NIM 2.29%; +88bps YoY</li> <li>21% increase in Fees &amp; Commission Income YoY</li> <li>Cost Income Ratio<sup>4</sup> 63%; 29% Lower YoY   Underlying Operating Expenses<sup>5</sup> +24% YoY</li> </ul>
Balance Sheet	Performing Loans +7% YTD	<ul style="list-style-type: none"> <li>Performing Loans of €20.4bn, €1.3bn higher than Dec'22 (+7%)</li> <li>Customer Deposit growth of 4% in HY'23; c. 71% of Total Customer Deposits insured</li> <li>Successfully issued €1.15bn Senior MREL debt in HY'23, FY'23 issuance plan now complete</li> <li>10% reduction in Irish Government and NatWest shareholding; State shareholding reduced to c. 57%</li> </ul>
Capital	14.4% CET1 Fully Loaded	<ul style="list-style-type: none"> <li>14.4% CET1 Fully Loaded   20.3% Total Capital Fully Loaded</li> <li>RWAs €0.6bn higher than Dec'22; driven by strong new lending and Ulster Bank migrations</li> <li>Leverage Ratio 7.0%; c. 1.4% higher than European weighted average<sup>6</sup></li> <li>All Capital Ratios remain above management and regulatory minimum</li> </ul>

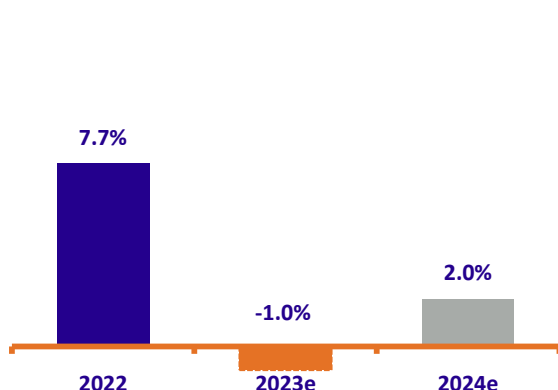
1. BPF data at 30 June 2023
2. Underlying Profit refers to Profit before Exceptional Items and Tax
3. RoE% calculated as Annualised Profits Attributable to Shareholders (excl. Exceptional Items) divided by Notional Equity (RWAs\*Long Term CET1% requirement)
4. Cost Income Ratio is calculated as Operating Expenses (excl. Regulatory Charges and Exceptional Items) divided by Total Operating Income
5. Underlying Operating Expenses exclude regulatory costs and provisions for non-core items (€1m), this net provision is presented in Exceptional Items
6. Based on Q1 2023 EBA Risk Dashboard

# Macroeconomic Outlook

## Housing Market Remains Strong Despite Macroeconomic Uncertainty

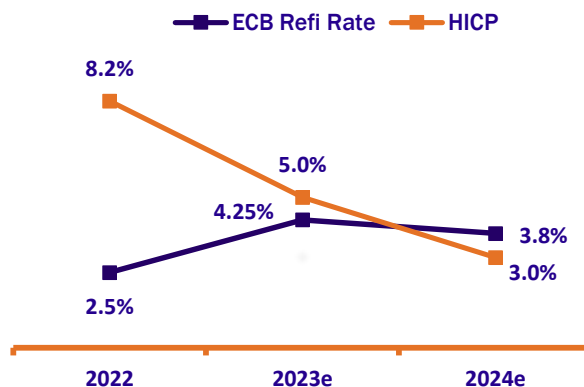


### House Price Growth (%)



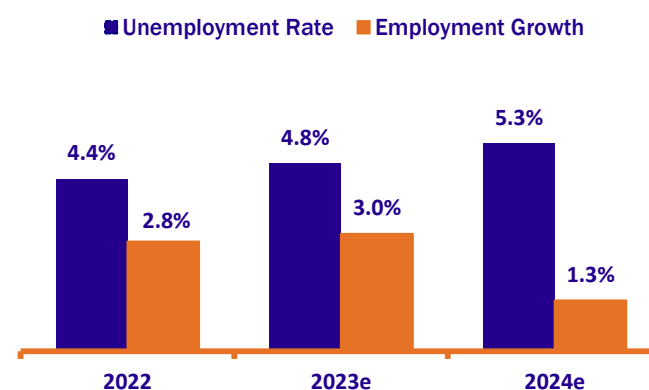
- HPI is stabilising
- Largest declines have been in Dublin, where prices have fallen by 3% YTD, -1.9% countrywide YTD
- Modest growth expected in FY'24, after marginal decline in 2023

### ECB MRO & CPI Forecast (%)



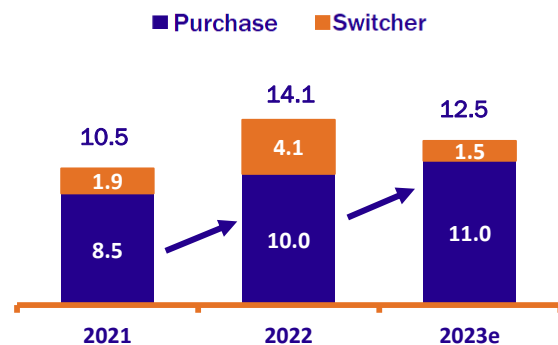
- Interest rate rises are beginning to have an impact on price levels with CPI expected to reduce to 5% this year
- Expectation that ECB rates will peak in H2'23

### Labour Market (%)

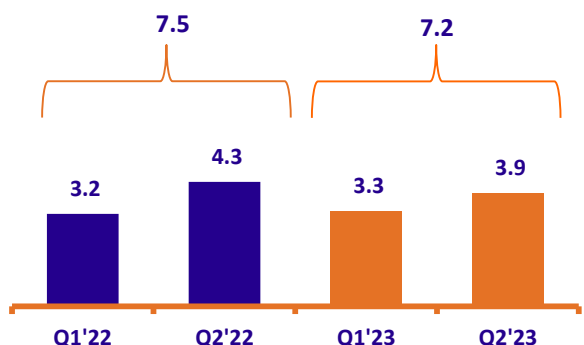


- Labour market remains extremely tight with the economy effectively at full employment
- Employment growth continuing to be supported by net inward migration into the labour market

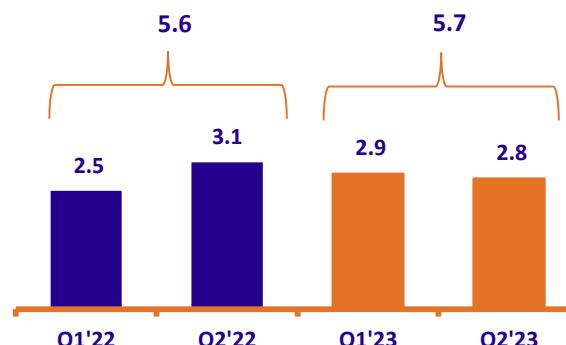
### Mortgage Market (€bn)



### Mortgage Market Approvals (€bn)



### Mortgage Market Drawdowns (€bn)

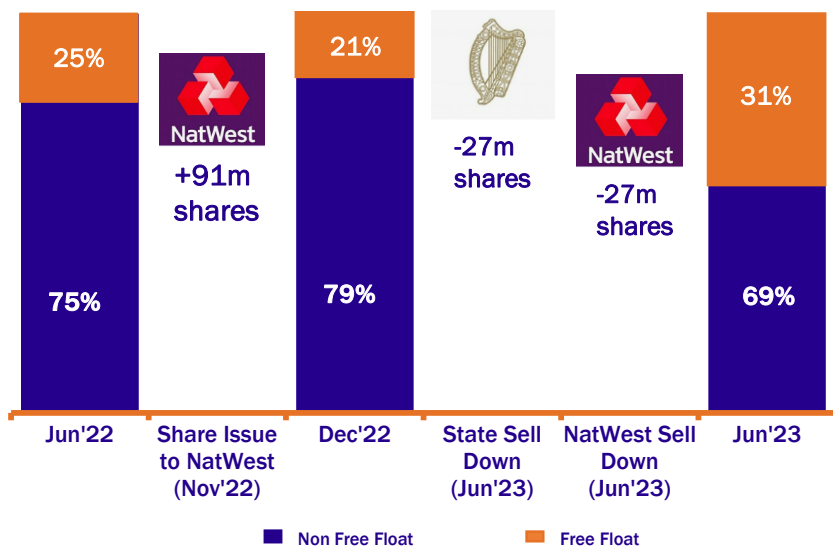


# Market Transactions

## Share Sale & MREL Issuances Are Positive Catalysts for Equity & Debt Investors



### Ownership Structure



### Material Increase in Free Float

- c. 50% increase in Free Float shares over the last 12 months
- c. 95% increase in the stock's average daily turnover over the last 12 months<sup>1</sup>
- The June 10% sell was over-subscribed and has resulted in a broader and more diversified investor base

	Date	Format	Size
✓	Apr'23	MREL Senior	€650m
✓	Jun'23	MREL Senior	€500m

### Successful MREL Issuances in HY'23

- Apr'23 €650m MREL Senior Debt – c. 3.5x over-subscribed
- Jun'23 €500m MREL Senior Debt – c. 2.8x over-subscribed
- FY'23 issuance plans now complete
- Jan'24 binding MREL requirement of 28.15%<sup>2</sup>



# A Purpose Led Strategy

## Delivering Our Strategy is Our Focus



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



To Be Ireland's Best Personal And Small Business Bank

**A Business Model Bringing People and Technology Together  
To Build a Sustainable Bank for the Future**

Digitally Led  
Every Day Banking  
with a Nationwide Community Presence

Personalised  
Customer Experience  
and Enhanced Product Offerings

A Diverse  
& Inclusive Workplace  
with Sustainability Fully Integrated

**Strategic Priorities Across 4 Key Pillars**

Connected  
Customer  
Experience

Cultural  
Evolution

Secure &  
Resilient  
Foundations

Sustainable  
Business  
Growth

**With Foundational Capabilities**

Risk Management & Regulation

Technology & Operational Resilience

Data & Analytics

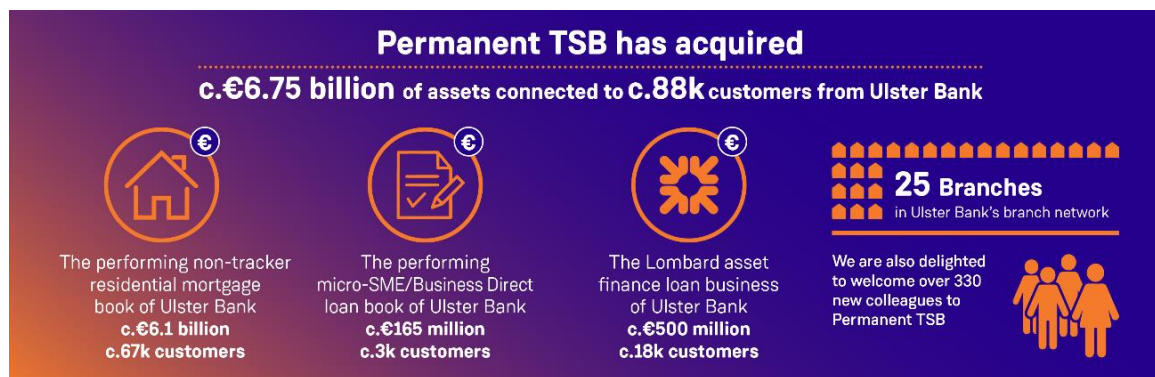


# Transformational Transaction Now Complete

## New Businesses, Customers and Colleagues



### What We Have Achieved...



### Timelines



### A Transformative Deal for Permanent TSB



### And What It Means...

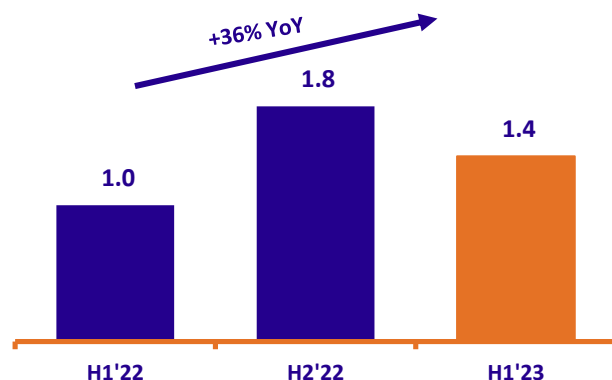
- ✓ 2 Year Programme of Work from MOU Phase
- ✓ Greater scale and diversification to compete and grow the business
- ✓ Increased branch footprint with a greater geographical spread
- ✓ Experienced workforce to support growth
- ✓ c. €170m additional Interest Income<sup>1</sup> in FY'23
- ✓ c. €575m increase in the market cap since MoU announced in Jul'21
- ✓ A larger and more active customer base, c. 88k new customers through the Transaction

# Commercial Performance Driving Revenue Growth

Total New Lending of €1.4 Billion +36% YoY

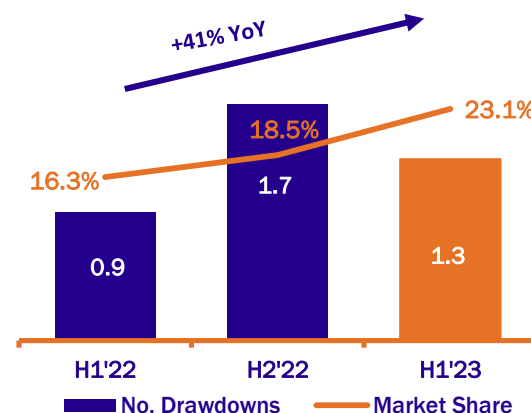


Total Customer New Lending (€bn)<sup>1</sup>



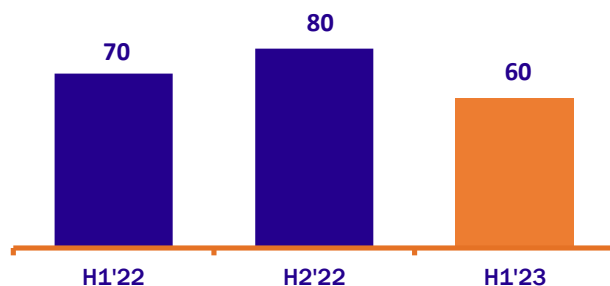
- Total New Lending of €1.4bn; +36% YoY
- Strong pipeline of activity for H2'23

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



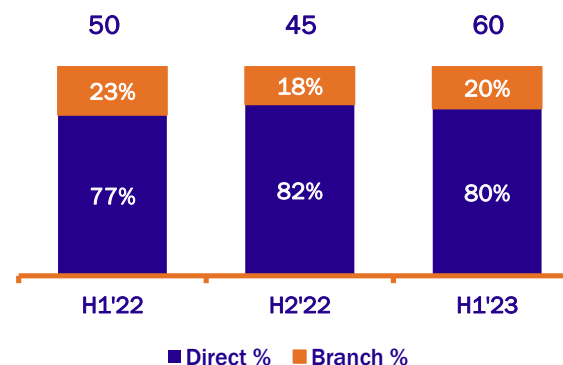
- New Mortgage Lending of €1.3bn +41% YoY
- Market Share<sup>2</sup> increased to 23.1%, 6.8% higher YoY
- Green Mortgages 28% of new mortgage lending

SME Lending (€m)



- New SME Lending €60m, -14% YoY
- Strong pipeline of activity heading into H2'23
- On target to reach >€1bn loan book (including Ulster Bank acquisitions) by FY'23

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



- New Personal Term Lending Business of €60m +20% YoY
- Growth supported by ongoing customer campaigns aimed at Car and Home Improvement loans

1. All euro amounts have been rounded to the nearest million/billion, percentage movements are calculated on absolute number  
 2. Source: BPFI Data at June 2023  
 3. Term Loan Direct refers to originations through App, Desktop and through Open24

# A Growing And Active Customer Base

## Building Trust and Loyalty With Our Customers



### More Active Customer Base

Delivering on Our Priorities	NPS <sup>1</sup>	New to Bank Mortgages Customers	Digital Activity <sup>2</sup>	Active Digital Customers <sup>3</sup>	Contactless Payments
HY'23	33	44%	76m	633k	59m
YoY Movement	+3%	In Line YoY	+18%	+10%	+10%



- Best Current Account
- Best Mortgage for FTB

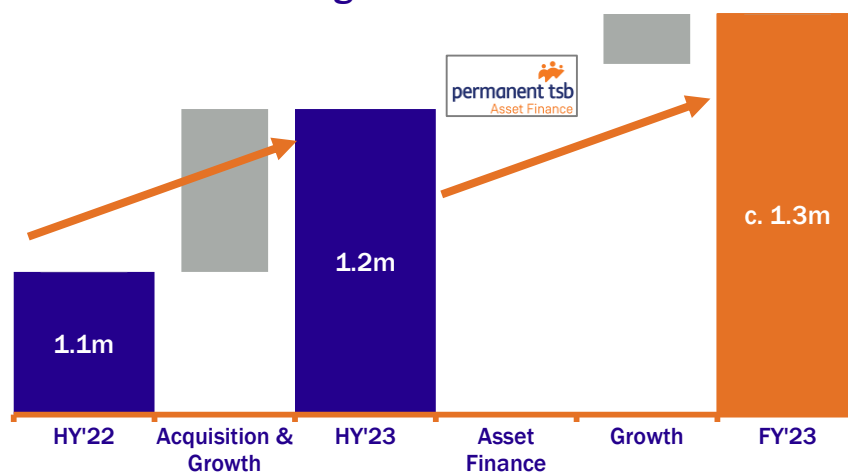


- Financial Services Loyalty Programme/ Initiative of the Year



- Customer Experience Award

### Growing Customer Base



### Strategic Partnerships



Credit Logic: Digital Mortgage Application



SBCI<sup>4</sup>



First Home Scheme<sup>5</sup>

Partnering with SBCI - €100m Fund to support customers to Retrofit their Homes. Bringing homes to B2 energy rating or above (Q4'23)

### HY'23

c. €130m Drawdowns

Total Drawdowns €78m

c. €10m Approvals

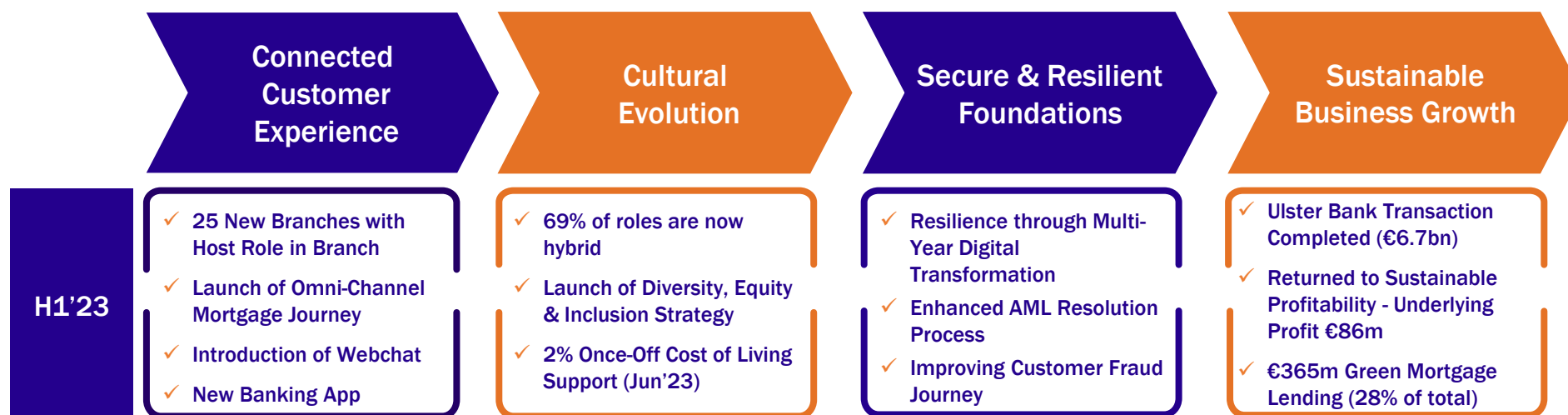
1. Transactional Net Promoter Score (NPS) – an index ranging from -100 to +100 measuring the willingness of customers to recommend a company's products / service, as at June
2. Digital Activity is defined as successful log-ins on both mobile app and desktop, over previous 180 days
3. Active Digital Customer refers to both Mobile App and Desktop users, over previous 180 days
4. Strategic Banking Corporation of Ireland under the Irish Governments Future Growth Loan Scheme and the Brexit Impact Loan Scheme, Total Drawdowns includes FY'21, FY'22 and HY'23
5. First Home Scheme launched for Eligible First Time Buyers in Aug'22

# Transforming Our Business

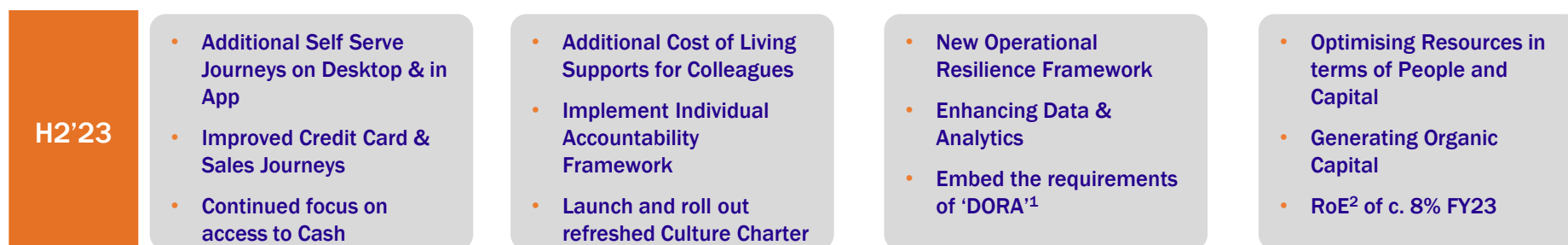
## In Line With Our Purpose Driven Strategy



### Delivering Across Strategic Priorities in H1'23



### Launched a Dedicated Enhanced Customer Experience Team



### Continuing to Focus on Strategic Priorities in H2'23



# Delivering on ESG Agenda

Continuing To Build On Strong Foundations In A Responsible Way





Support Ireland's  
Transition To A Low Carbon  
Economy



Elevate Our Social Impact  
& Enhance Our Culture



Grow Sustainable  
Profitability

Environment		Social		Governance & Disclosures	
€365m (HY'23)	<ul style="list-style-type: none"> <li>Green Mortgage Lending (B3 energy rating or higher)</li> <li>28% of New Mortgage Lending</li> </ul>	Paris 2024	<ul style="list-style-type: none"> <li>Title Sponsor of the Irish Olympic Team and the Irish Paralympic Team for Paris 2024</li> </ul>		<ul style="list-style-type: none"> <li>Board approved Sustainability Strategy</li> <li>Aligned to the SDGs<sup>2</sup> and a Sustainability Committee</li> </ul>
83%	<ul style="list-style-type: none"> <li>Reduction in scope 1 and 2 carbon emission intensity<sup>1</sup></li> </ul>	80%	<ul style="list-style-type: none"> <li>Culture Index Score 80%</li> <li>+10% above our Culture Index Target</li> </ul>	"Low"	<ul style="list-style-type: none"> <li>ESG Risk Rating of "Low" through Sustainalytics, in line with peers</li> </ul>
SBT's	<ul style="list-style-type: none"> <li>Committing to setting Science-Based Targets by 2024</li> </ul>				
	<ul style="list-style-type: none"> <li>Climate-related and Environmental Risk Implementation Plan Approved</li> <li>Sustainable Supplier Charter</li> </ul>	55 : 45	<ul style="list-style-type: none"> <li>Board Gender Composition</li> <li>55% Female : 45% Male</li> </ul>	TCFD	<ul style="list-style-type: none"> <li>Task Force on Climate-Related Financial Disclosures (TCFD) Report Issued</li> </ul>
11 Million (Less Pages)	<ul style="list-style-type: none"> <li>1.1 Million Accounts avail of E-Statement – saving 11 million paper pages</li> </ul>	38%	<ul style="list-style-type: none"> <li>Senior Leadership positions filled by Women</li> </ul>		
		16.5%	<ul style="list-style-type: none"> <li>Gender Pay Gap 16.5%</li> <li>Winner – Inclusion and Diversity (Large), CIPD Ireland Awards</li> </ul>	"C"	<ul style="list-style-type: none"> <li>A CDP<sup>3</sup> rating of C</li> <li>"Awareness" level of engagement</li> </ul>

1. Reduction in Scope 1 and 2 carbon emission intensity – cumulative reduction since 2009

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 is the non-profit that runs the world's leading environmental disclosure platform



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| Nicola O'Brien, CFO

# Robust Financial Performance

## With Continued Business Momentum



**Grow Diversified  
Income Streams**



**Efficient  
Organisation**



**Capital And  
Resource Allocation**

### HY 2023 Vs HY 2022

	HY'23 €m	HY'22 €m	YoY €m	YoY %
Net Interest Income	298	155	143	+92%
Non Interest Income	25	23	2	+9%
Operating Income	323	178	145	+81%
Total Operating Expenses	(228)	(189)	(39)	+21%
Operating Profit / (Loss)	95	(11)	106	-
Impairments	(9)	9	(18)	-
Underlying Profit <sup>1/</sup> (Loss)	86	(2)	88	-
Exceptional Items	(60)	(34)	(26)	+76%
Profit / (Loss) Before Tax	26	(36)	62	172%
Cost Income Ratio <sup>2</sup>	63%	92%	-29%	
Return on Equity <sup>3</sup>	7%	0%	+7%	

Net Interest Income

- Growth due to rising interest rate environment and migration of Ulster Bank assets

Fees &  
Commissions

- Supported by loyal customers driving higher volumes and improved activity

Operating Expenses

- Higher YoY, as previously guided, due to Ulster Bank transaction, accelerated investment spend and depreciation

Impairments

- Asset quality remains robust, Impairment charge reflects reduction to HPI



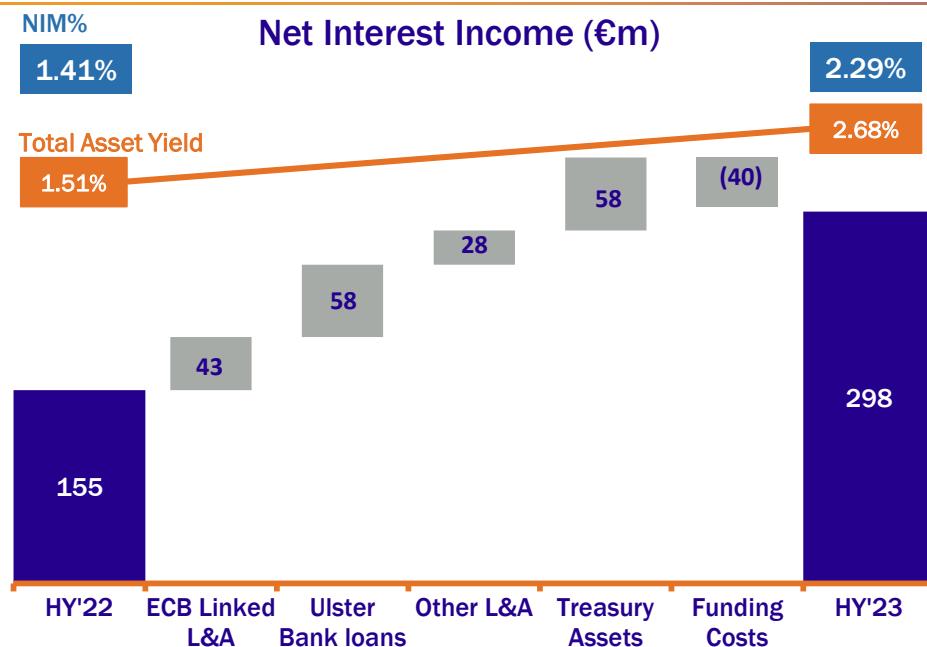
Exceptional Items (€m)	HY'23	HY'22
• NatWest/UB Transaction	(59)	(35)
• Other <sup>4</sup>	(1)	1
<b>Total Exceptional Items</b>	<b>(60)</b>	<b>(34)</b>

1. Underlying Profit refers to Profit before Exceptional Items and Tax
2. Cost Income Ratio is calculated as Operating Expenses (excl. Regulatory Charges and Exceptional Items) divided by Total Operating Income
3. Return on Equity (ROE) calculated as annualised Profits Attributable to Shareholders (excl. Exceptional Items) divided by Notional Equity
4. Other Exceptional Items includes Provisions for Non-Core Items and Deleveraging costs



# Strong Operating Income Performance

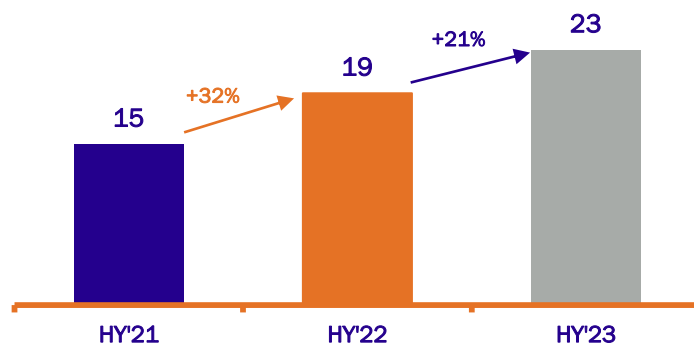
Benefitting from Higher Interest Earning Assets and Larger Customer Base



## Net Interest Income Drivers

- Upward Interest Rate Environment, Asset Yield 2.68% (+117bps YoY)
- Cost of Funds c. 40bps (+30bps YoY)
- Total Loan Book growth of 44% YoY
- Earnings from €5.9bn of Ulster Bank Assets
- Net Interest Margin (NIM) of 2.29%; +88bps YoY
- +/- 50bps change in interest rates results in a c. €20m-€25m change in Net Interest Income<sup>1</sup>

## Net Fees & Commissions (€m)



## Net Fees & Commissions +21% YoY

- Continued momentum from a larger and more active customer base
- Upward trajectory set to continue
- Ambition remains to grow Non Interest Income to c. 10% of Total Income

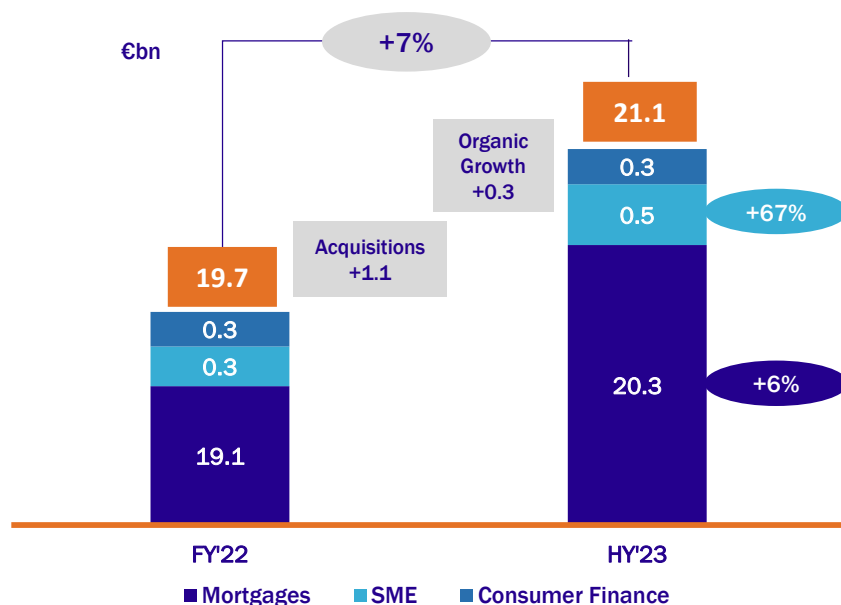


# Loan Book Growth in a Competitive Environment

## 7% Growth in Gross Loans

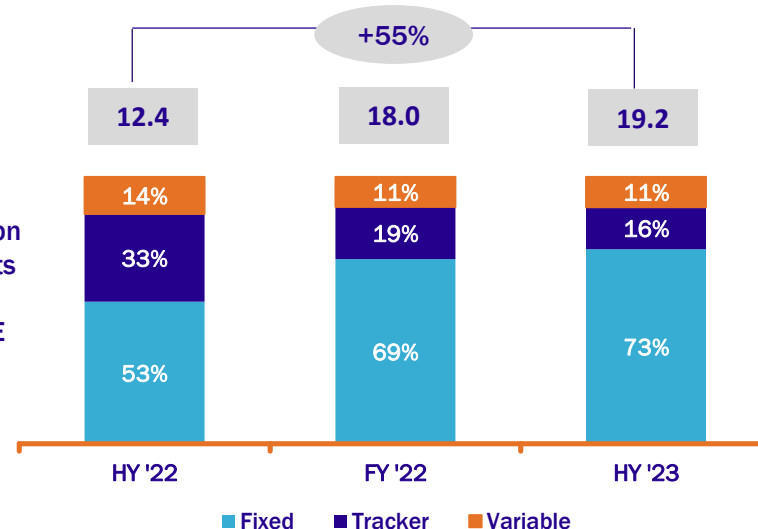


Total Gross Loans (€bn)

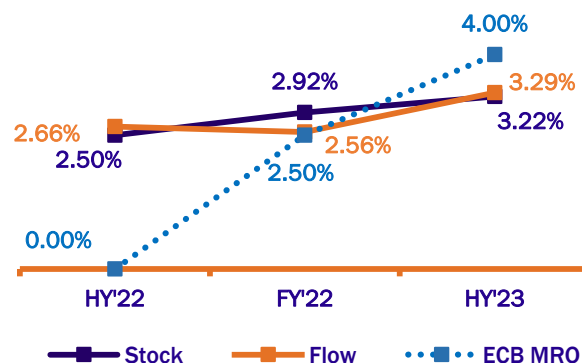


Migration of c. €1.1bn of Ulster Bank Assets in HY'23; supports 67% growth in SME and 6% growth in Mortgages

Performing Home Loan Book by Product (Mix %)



Home Loan Yield (%)



- New Home Loan Yield at 3.29%, +63bps YoY
- Book Yield of 3.22%, +72bps YoY

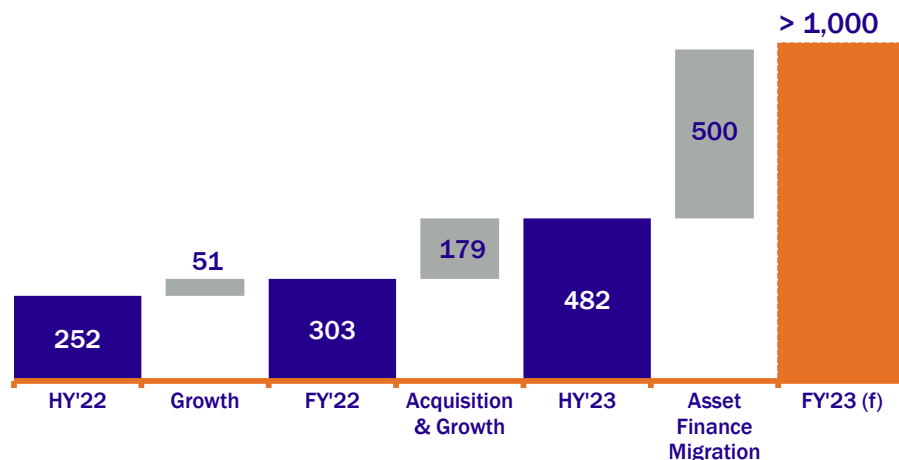
- 26% reduction in Tracker Mortgage Book YoY; from €4.1bn to €3bn; now 16% of Total Home Loan (HL) Book
- 110% increase in Fixed Rate Mortgages YoY; from €6.6bn to €14bn, 73% of HL Book
- 75% of the Fixed Rate Book does not rollover until 2025 or later
- Home Loan Weighted Average LTV of 53%; New Mortgage Weighted Average LTV 71%

# Acquisition Supporting SME Loan Book Growth

## On Target To Grow SME Loan Book In Excess Of €1bn by FY'23

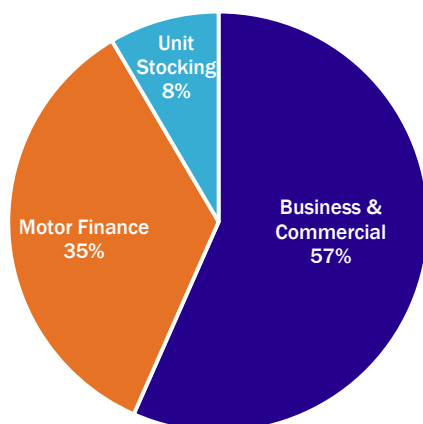


SME Performing Book Movement<sup>1</sup> (€m)



- Total SME Book of €482m at Jun'23, +60% from Dec'22
- HY'23 growth includes acquisition of c. €165m Ulster Bank micro-SME loans in Feb'23
- Clear path to the SME Book reaching in excess of €1bn

Asset Finance Business by Product



**permanent tsb**  
Asset Finance

- c. €500m Asset Finance business migrated from Ulster Bank in Jul'23:
  - 57% Business and Commercial Sector;
  - 35% Motor Finance;
  - 8% Unit Stocking
- 18,000 commercial and personal finance customers

# Maintaining Cost Discipline as Planned Investment Continues

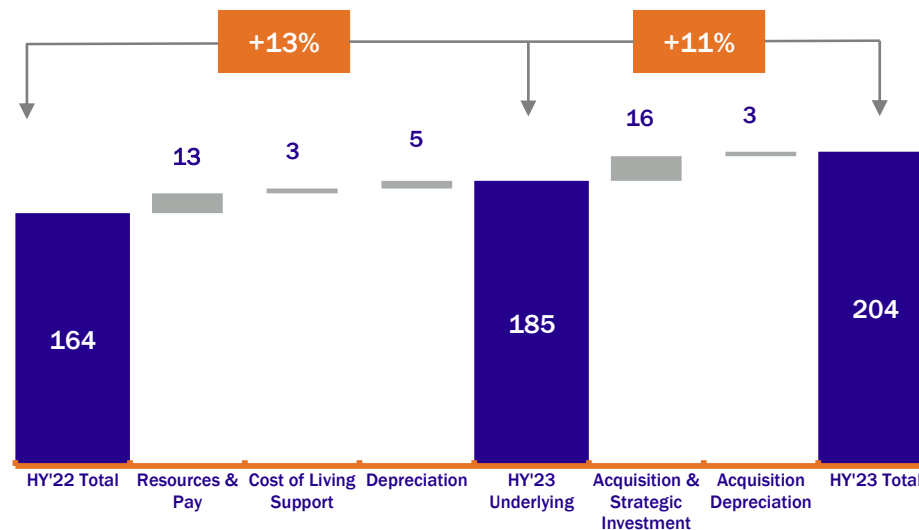
Cost Income Ratio of 63%; 29% Lower Year on Year



Cost Base Analysis	HY'23 €m	HY'22 €m	YoY €m	YoY %
Staff Costs <sup>1</sup>	94	73	21	+29%
Other Costs	78	67	11	+16%
<b>Total Addressable Costs</b>	<b>172</b>	<b>140</b>	<b>32</b>	<b>+23%</b>
Depreciation	32	24	8	+33%
<b>Underlying Operating Expenses<sup>2</sup></b>	<b>204</b>	<b>164</b>	<b>40</b>	<b>+24%</b>
Regulatory Charges	24	25	(1)	-4%
<b>Total Operating Costs</b>	<b>228</b>	<b>189</b>	<b>39</b>	<b>+21%</b>

<b>Cost Income Ratio<sup>3</sup></b>	<b>63%</b>	<b>92%</b>	<b>-</b>	<b>-29%</b>
<b>Average Staff Numbers<sup>4</sup></b>	<b>2,638</b>	<b>2,283</b>	<b>355</b>	<b>+16%</b>
<b>Closing Staff Numbers<sup>4</sup></b>	<b>2,939</b>	<b>2,394</b>	<b>545</b>	<b>+23%</b>

## Movement In Underlying Operating Expenses (€m)



- Total Underlying Operating Costs €204m, +€40m YoY (+24%)
- Cost Income Ratio<sup>3</sup> (CIR%) reduces to 63%, 29% lower YoY
- Closing Staff Numbers increased by 545 (+23%) YoY

- Average Staff Numbers increased by 355 (16%) YoY
- Once-Off Payment to Staff, supporting colleagues in a high inflationary environment (€3m)
- Acquisition & Strategic Investment driving an increase in operating costs
- 2023 Outlook shows the Bank's CIR% <65% as top line income grows and the Bank maintains good cost discipline

1. Staff Costs include total payroll, recruitment costs, contingency workforce costs and once-off voucher payments to support inflationary pressure on staff  
 2. Underlying Operating Costs exclude a -€1m (HY 2022: €6m) provision for non-core items. This net provision is presented in Exceptional Items  
 3. Cost Income Ratio is calculated as Operating Expenses (excl. Regulatory Charges and Exceptional Items) divided by Total Operating Income  
 4. Average and Closing staff numbers are calculated on a full time equivalent (FTE) basis and exclude FTEs working on the Ulster Bank Transaction

# Strong Observed Asset Quality

## Customers Demonstrating Resilience Despite High Inflationary Environment

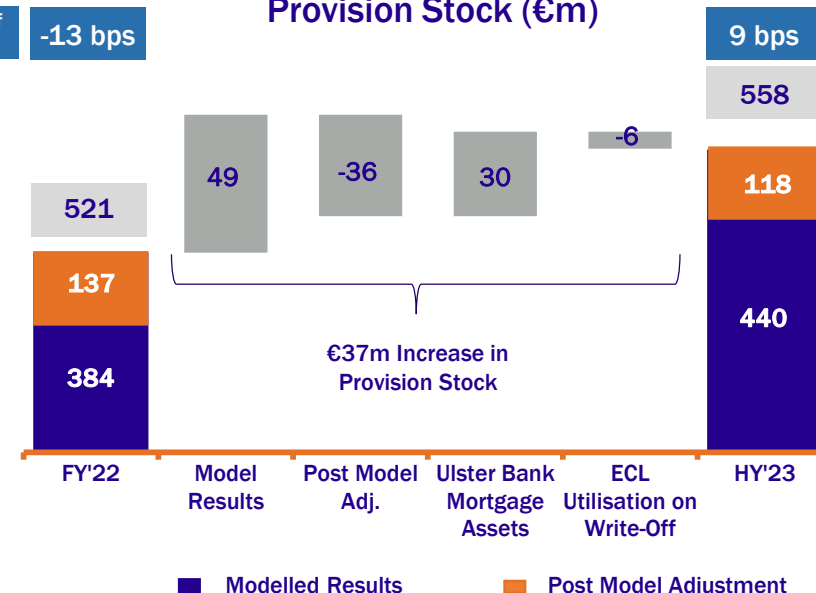


### Impairment Release/(Charge) (€m)

Cost of Risk<sup>1</sup> -13 bps

Expected Credit Loss	HY'23	FY'22	HY'22
Model (Charge) / Release	(49)	14	(10)
Post Model Adjustments	36	10	17
Other P&L Items	4	7	2
<b>P&amp;L Impairment (Charge) / Release</b>	<b>(9)</b>	<b>31</b>	<b>9</b>
Capital Deduction for NPL Backstop	-	(11)	-
<b>Net Impairment (Charge) / Release</b>	<b>(9)</b>	<b>20</b>	<b>9</b>

### Provision Stock (€m)



### Total Loan Book By Status & Coverage (€bn)

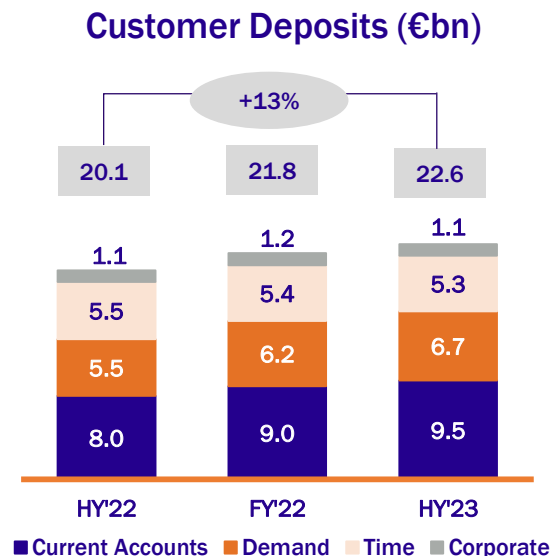
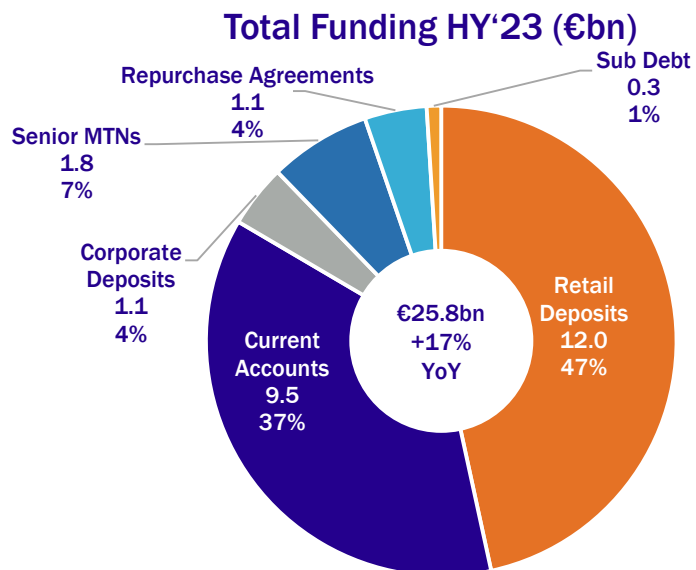
	HY'23				FY'22	HY'22
Category	Balance (€bn)	ECL (€bn)	PCR (%)	+ / - YoY	Balance (€bn)	Balance (€bn)
Performing	20.4	0.32	1.6%	0 ppts	19.2	14.1
Non-Performing	0.7	0.24	34.0%	-0.2 ppts	0.7	0.8
<b>Total</b>	<b>21.1</b>	<b>0.56</b>	<b>2.6%</b>	<b>0 ppts</b>	<b>19.9</b>	<b>14.9</b>
<b>NPL Ratio</b>	<b>3.3%</b>				<b>3.3%</b>	<b>5.2%</b>

- Well provided for Economic Cycle
- Appropriate €118m Post Model Adjustments at Jun'23
- Stage 1&2 Loans have increased by 6% to €20.4bn since Dec'22
- Stage 3 Loans of €0.7bn; in line with Dec'22 position
- NPL Ratio has reduced from 5.2% to 3.3% YoY, with Stage 3 Loans reducing by c. €100m



# Continued Deposit Franchise Growth

## Funding Driven by Higher Deposits & Wholesale Funding

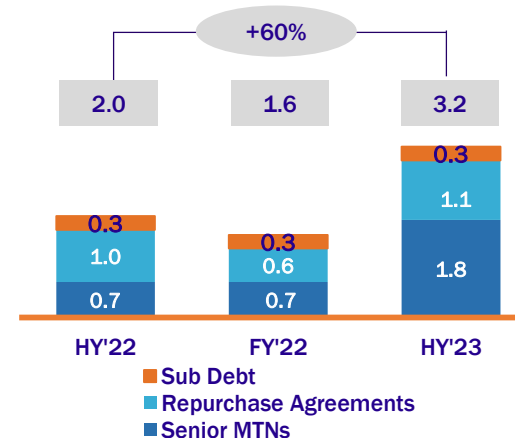


- 88% Funded by Customer Deposits
- 71% of Total Customer Deposits are insured

### Liquidity and Funding Ratios

Ratio	Dec'22	Jun'23	European Bank Average <sup>1</sup>	PTSB v European Peers
LCR	178%	186%	164%	+22%
NSFR <sup>2</sup>	154%	159%	126%	+33%
LDR	90%	92%	109%	-17%
Encumbrance	5%	7%	27%	-20%

### Wholesale Funding (€bn)



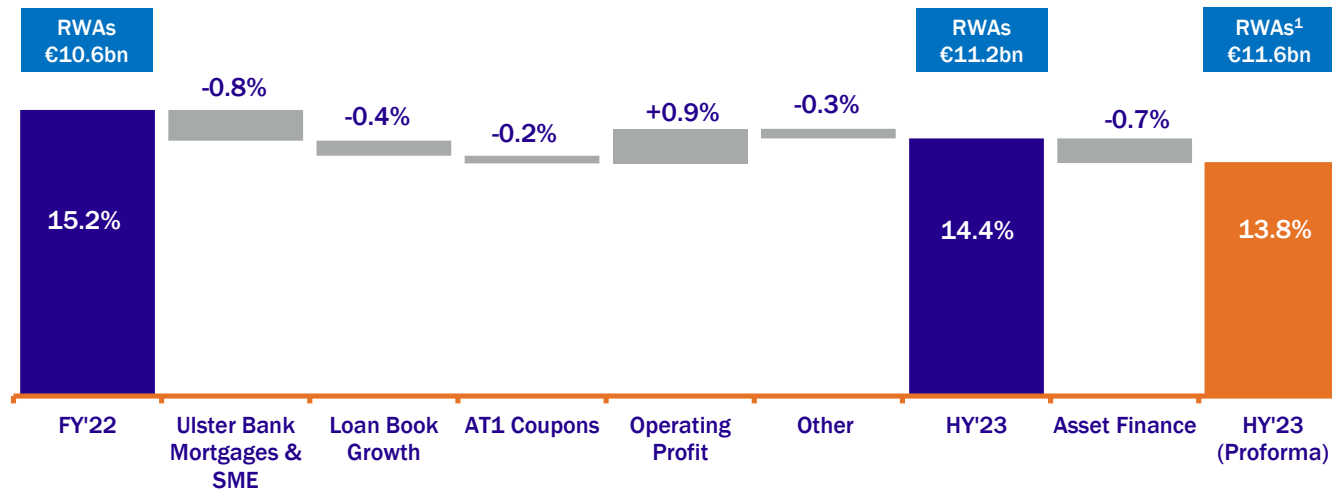
- €3.2bn is 12% of Total Funding
- €2.1bn (8%) MREL Eligible
- €1.15bn MTN issuance in HY'23
- MREL ratio of 36.6%
- Jan'24 MREL target has been set at 28.15%<sup>3</sup>

# Effective Management of Capital as Business Grows

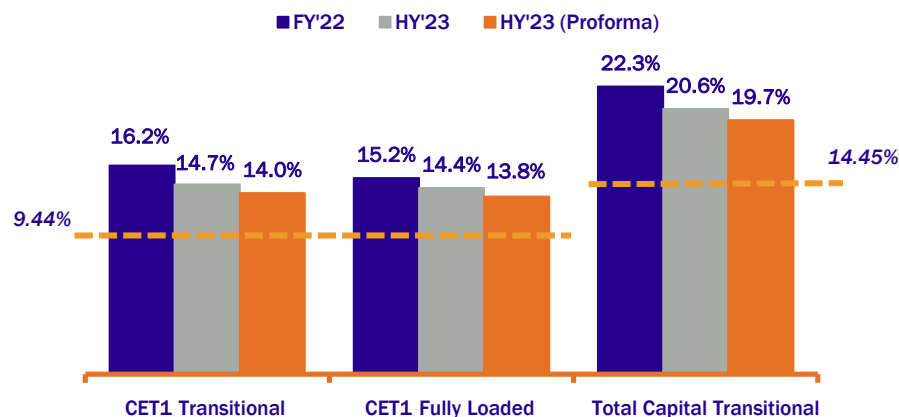
## Capital Ratios Remain Above Regulatory Requirements



### CET1 Fully Loaded Ratio Movement (%)



### Regulatory Capital Ratios<sup>1</sup> (%)



- Fully Loaded CET1 ratio 14.4%; 80bps lower than Dec'22
- Main drivers are:
  - Migration of remaining Ulster Bank Mortgages and SME (c. -80bps);
  - Net growth in Underlying Loan Book (c. -40bps);
  - AT1 Distributions (c. -20bps); partly offset by
  - Operating Profit (c. +90bps)
- With Asset Finance Migration in Jul'23 the Proforma CET1% (FL) is 13.8%
- Management CET1 (Fully Loaded) Long Term Target is c. 14%.

# Strong Performance with Continued Business Momentum

## Economic and Market Backdrop Supporting Growth Ambitions



HY'23

€86m

- Underlying Profit Before Tax<sup>1</sup> reflects a Purpose Driven Business

23.1%

- New Mortgage Business Market Share of 23.1%, an increase of 6.8% YoY

2.29%

- Strong NIM% with Continued Business Momentum

+€0.9bn

- Continued Strength in the Deposit Franchise, €0.9bn growth since Dec'22

63%

- Cost Income Ratio<sup>2</sup>, revised FY'23 target of <65%

3.3%

- Asset Quality Remains Robust; NPL Ratio 3.3%; Prudently Provisioned for Economic Cycle

14.4%

- Management Medium Term Target of c. 14% CET1

**FY23 and Medium Term Target Represents Higher and More Sustainable Returns**



1

**Business Update**

2

**Financial  
Performance**

3

**FY23 & Medium  
Term Outlook**

4

**Appendix**

| **Eamonn Crowley, CEO**



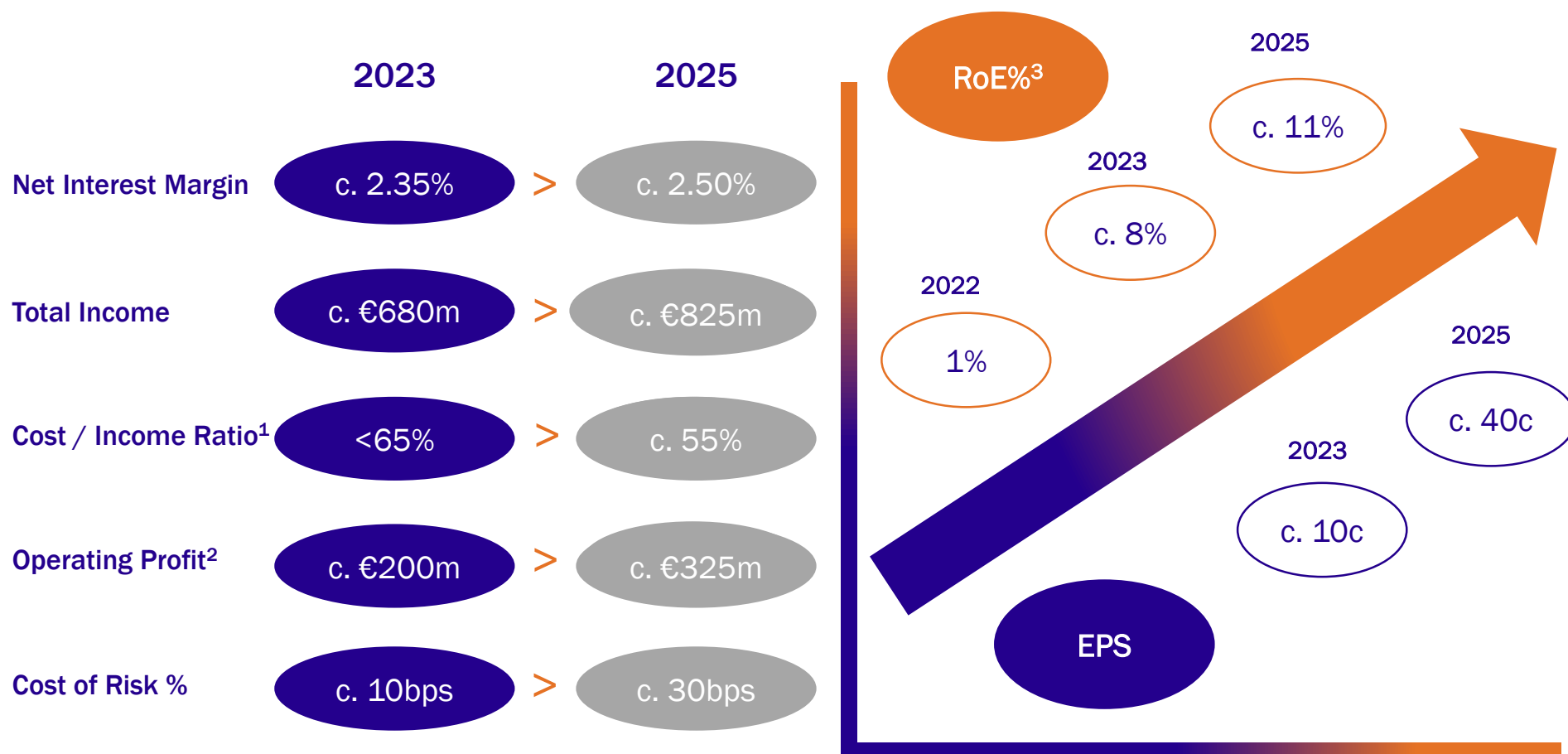


### Upgrading FY'23 Guidance to Reflect More Positive Operating Environment (change vs previous guidance)

Total Income	Cost Income Ratio <sup>1</sup>	Cost of Risk	Underlying Profit	Underlying RoE <sup>2</sup>
↓ ↓	↓ ↓	↓ ↓	↓ ↓	↓ ↓
c. €680m (+c. 5%)	<65% (-5%)	c. 10 bps (No change)	c. €180m (+c. 13%)	c. 8% (+1%)

# Medium Term Targets

## Guidance Remains Unchanged

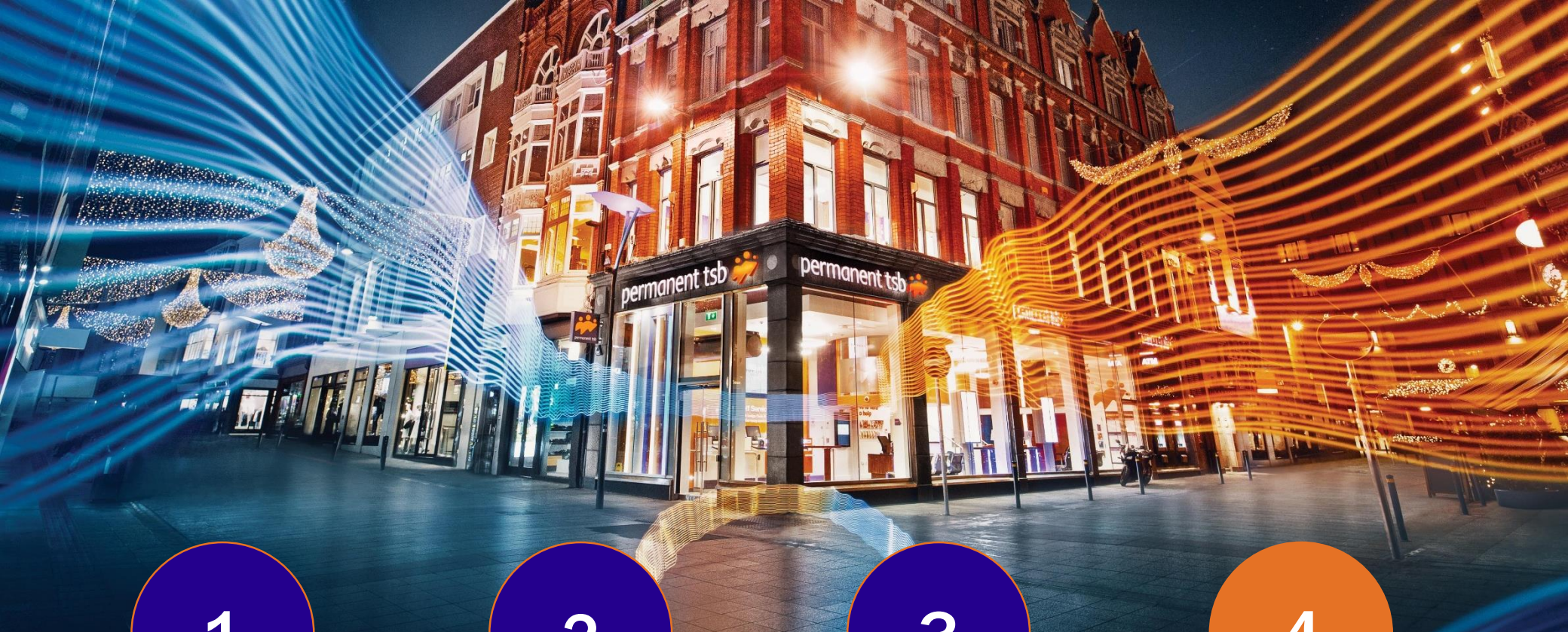


**Medium Term Trajectory Will Deliver ROE<sup>3</sup> > 11% and EPS >40c**

# Investment Case

## Over the Medium Term





1

**Business Update**

2

**Financial  
Performance**

3

**FY23 & Medium  
Term Outlook**

4

**Appendix**





# Domestically Focused Retail And SME Bank



## Business Overview

### Business

**€20.4bn**

Performing  
Loan Book

**€9.5bn**

Current Account  
Balances

**€12.0bn**

Retail Deposit  
Balances

### Market Share

**c. 24%**

Residential  
Mortgages<sup>1</sup>

**13.5%**

Current Account  
Balances<sup>2</sup>

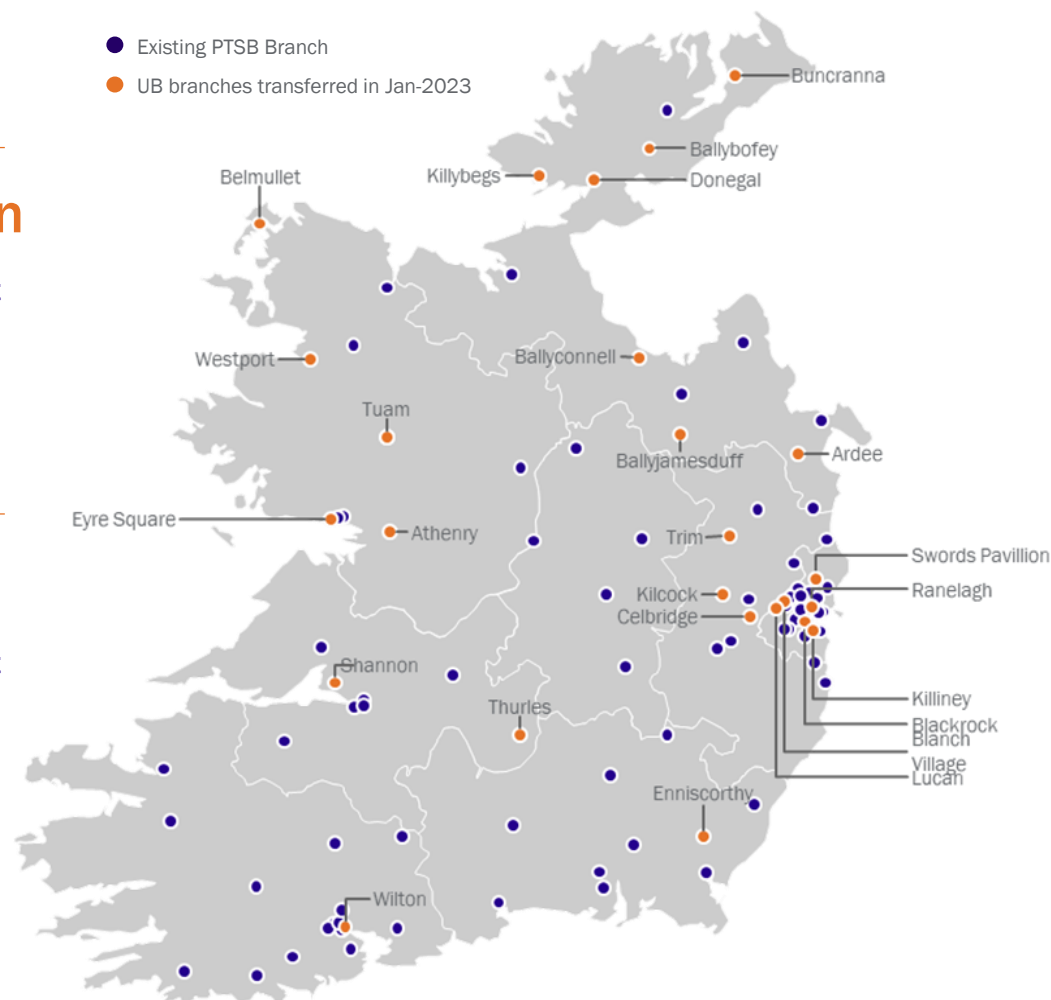
**11.2%**

Retail Deposit  
Balances<sup>2</sup>

## Branch Footprint

● Existing PTSB Branch

● UB branches transferred in Jan-2023





# A Brief History



	2016		2019		H1 2023
LDR%	111%	>	91%	>	92%
System Funding	€1.4bn	>	€nil	>	€nil
Total New Lending	€0.6bn	>	€1.7bn	>	€1.4bn
Mortgage Market Share	10%	>	15.5%	>	23.1%
Net Interest Margin%	1.48%	>	1.80%	>	2.29%
NPL%	28%	>	6.4%	>	3.3%
CET1% (FL)	14.9%	>	15.0%	>	14.4%
Rebuilding of the Bank is completed; now we can focus on sustainable profitable growth & expansion					

# Historical Financial Information

## Income Statement



€m	HY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Net Interest Income	298	362	313	341	356
Other Income	25	47	48	34	58
<b>Total Operating Income</b>	<b>323</b>	<b>409</b>	<b>361</b>	<b>375</b>	<b>414</b>
Total Operating Expenses (Before Exceptional Items)	(228)	(395)	(345)	(323)	(330)
<b>Pre-Impairment Profit / (Loss)</b>	<b>95</b>	<b>14</b>	<b>16</b>	<b>52</b>	<b>84</b>
Impairment (Charge) / Write-Back <sup>1</sup>	(9)	31	1	(155)	(10)
<b>(Loss) / Profit Before Exceptional Items</b>	<b>86</b>	<b>45</b>	<b>17</b>	<b>(103)</b>	<b>74</b>
Exceptional Items (Net)	(60)	222	(38)	(63)	(32)
<b>Profit / (Loss) Before Tax</b>	<b>26</b>	<b>267</b>	<b>(21)</b>	<b>(166)</b>	<b>42</b>

Key Metrics	HY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Net Interest Margin	2.29%	1.54%	1.51%	1.73%	1.80%
Cost Income Ratio <sup>2</sup>	63%	84%	82%	73%	80%

# Historical Financial Information

## Balance Sheet



€bn	Jun 2023	Dec 2022	Dec 2021	Dec 2020	Dec 2019
Total Loan Book (net)	20.9	19.6	14.2	14.2	15.6
Treasury Assets	6.7	5.4	6.7	5.9	3.6
Other Assets	0.9	1.1	1.3	0.8	1.1
<b>Total Assets</b>	<b>28.4</b>	<b>25.9</b>	<b>22.2</b>	<b>20.9</b>	<b>20.3</b>
Retail Deposits (Incl. Current Accounts)	21.5	20.6	17.7	16.3	15.0
Corporate & Institutional	1.1	1.1	1.3	1.7	2.2
<b>Total Customer Deposits</b>	<b>22.6</b>	<b>21.7</b>	<b>19.1</b>	<b>18.0</b>	<b>17.2</b>
Wholesale Funding	2.9	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>26.0</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>28.4</b>	<b>25.9</b>	<b>22.2</b>	<b>20.9</b>	<b>20.3</b>

Key Metrics	Jun 2023	FY 2022	FY 2021	FY 2020	FY 2019
NPLs	€0.7bn	€0.7bn	€0.8bn	€1.1bn	€1.1bn
LDR	92%	90%	75%	79%	91%
CET1 Ratio (Fully Loaded Basis)	14.4%	15.2%	15.3%	15.1%	14.6%

# Interest Income Analysis



	Average Balances (€bn) <sup>1</sup>		Yields (%)		Interest Income (€m)	
	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022
Tracker	4.0	5.8	4.2%	1.3%	84	38
Fixed and Variable	15.5	5.7	2.9%	4.5%	219	126
Consumer Finance	0.3	0.3	10.0%	13.5%	14	18
SME / CRE	0.5	0.3	5.1%	3.1%	12	4
Treasury Assets	6.1	7.7	1.6%	-0.1%	49	(5)
<b>Underlying Interest Income</b>					<b>379</b>	<b>180</b>
Deferred Acquisition Costs and Accounting Adjustments <sup>2</sup>					(31)	(15)
<b>Total Interest Income</b>					<b>348</b>	<b>165</b>

# Interest Expense Analysis



	Average Balances (€bn) <sup>1</sup>		Cost of Funds (%)		Interest Expense (€m)	
	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022
Current Accounts	9.2	7.5	0.0%	0.0%	-	-
Retail Deposits	11.8	10.7	0.1%	0.0%	5	2
Corporate Deposits	1.1	1.2	1.2%	0.4%	7	3
Wholesale Funding <sup>2</sup>	2.3	1.6	3.3%	0.7%	38	6
<b>Total Interest Expense</b>					<b>50</b>	<b>10</b>



# Asset Quality



## Loans and Advances to Customers

### Measured at Amortised Cost

#### Residential mortgages:

Home Loans

Buy To Let

Total Residential Mortgages

Commercial

Consumer Finance

Total Measured at Amortised Cost

#### Analysed By ECL Staging:

Stage 1

Stage 2

Stage 3

POCI

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

	30-Jun 2023 €m	31-Dec 2022 €m
Residential mortgages:		
Home Loans	19,488	18,340
Buy To Let	806	824
Total Residential Mortgages	20,294	19,164
Commercial	376	239
Consumer Finance	449	401
Total Measured at Amortised Cost	21,119	19,804
Analysed By ECL Staging:		
Stage 1	18,483	17,455
Stage 2	1,945	1,699
Stage 3	690	649
POCI	1	1
Total Measured at Amortised Cost	21,119	19,804
Of which at the reporting date:		
Neither past due nor Stage 3	20,365	19,118
Past due but not stage 3	63	36
Stage 3	691	650
Total Measured at Amortised Cost	21,119	19,804
Loss Allowance – Statement of Financial Position		
Stage 1	148	136
Stage 2	175	163
Stage 3	235	222
Total Loss Allowance	558	521

# NPLs and NPAs



30-Jun 23	Stage 3 Analysis				
	Home Loan €m	Buy-To-Let €m	SME / Commercial €m	Consumer Finance €m	Total €m
NPL is < 90 Days	181	100	11	3	295
NPL is > 90 Days and < 1 year past due	64	26	1	4	95
NPL is 1-2 years past due	39	43	1	2	85
NPL is 2-5 years past due	54	66	-	1	121
NPL is > 5 years past due	54	29	6	5	94
POCI	-	-	-	1	1
Non-performing loans	392	264	19	16	691
Foreclosed assets <sup>1</sup>	3	13	-	-	16
Gross Loans	19,488	806	376	449	21,119
Non-performing assets	395	277	19	16	707
NPLs as % of gross loans	2.0%	32.8%	5.1%	3.6%	3.3%

31-Dec-22	Stage 3 Analysis				
	Home Loan €m	Buy-To-Let €m	SME / Commercial €m	Consumer Finance €m	Total €m
NPL is < 90 Days	175	118	17	2	312
NPL is > 90 Days and < 1 year past due	31	15	-	3	49
NPL is 1-2 years past due	31	80	-	2	113
NPL is 2-5 years past due	51	28	-	2	81
NPL is > 5 years past due	54	29	6	5	94
POCI	-	-	-	1	1
Non-performing loans	342	270	23	15	650
Foreclosed assets*	3	15	-	-	18
Non-performing assets	345	285	23	15	668
Gross Loans	18,340	824	239	401	19,804
NPLs as % of gross loans	1.9%	32.8%	9.6%	3.7%	3.3%

# Regulatory Capital



	30 June 2023		31 December 2022	
	Transitional	Fully Loaded	Transitional	Fully Loaded
	€m	€m	€m	€m
<b>Risk Weighted Assets</b>	<b>11,245</b>	<b>11,245</b>	<b>10,627</b>	<b>10,627</b>
<b>Capital Resources:</b>				
Common equity tier 1	1,654	1,624	1,718	1,616
<b>Additional Tier 1</b>	<b>369</b>	<b>369</b>	<b>369</b>	<b>369</b>
<b>Tier 1 Capital</b>	<b>2,023</b>	<b>1,993</b>	<b>2,087</b>	<b>1,985</b>
Tier 2 Capital	289	289	282	282
<b>Total Capital</b>	<b>2,312</b>	<b>2,282</b>	<b>2,369</b>	<b>2,267</b>
<b>Capital Ratios:</b>				
Common Equity Tier 1 Capital	14.7%	14.4%	16.2%	15.2%
Tier 1 Capital	18.0%	17.7%	19.6%	18.7%
Total Capital	20.6%	20.3%	22.3%	21.3%
<b>Leverage Ratio<sup>1</sup></b>	<b>7.1%</b>	<b>7.0%</b>	<b>8.0%</b>	<b>7.7%</b>

	30 June 2023		31 December 2022	
	Transitional	Fully Loaded	Transitional	Fully Loaded
	€m	€m	€m	€m
<b>Total Equity</b>	<b>2,404</b>	<b>2,404</b>	<b>2,398</b>	<b>2,398</b>
Less: AT1 Capital	(369)	(369)	(369)	(369)
<b>Adjusted Capital</b>	<b>2,035</b>	<b>2,035</b>	<b>2,029</b>	<b>2,029</b>
<b>Prudential Filters:</b>				
Intangible Assets	(87)	(87)	(86)	(86)
Deferred Tax	(275)	(306)	(247)	(309)
IFRS 9 Transitional Adjustment <sup>2</sup>	-	-	41	-
Others	(19)	(18)	(19)	(18)
<b>Common Equity Tier 1 Capital</b>	<b>1,654</b>	<b>1,624</b>	<b>1,718</b>	<b>1,616</b>

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 on own funds. This was further amended by the adoption of Regulation EU 2020/873 ("CRR Quick Fix").



# Thank You

End of Presentation

