

COUNTRY BY COUNTRY REPORTING

FOR THE YEAR ENDED 31 DECEMBER 2018

Permanent TSB Group Holdings plc

Country by Country Reporting

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Permanent TSB Group Holdings plc

Country by Country Reporting

For the year ended 31 December 2018

Basis of Preparation

Country by Country Reporting (CBCR) requirements are a key component of Capital Requirements Directive (CRD IV). CBCR requirements have been transposed into Irish legislation as Regulation 77 of Statutory Instrument 158 of 2014.

Regulation 77 requires each credit institution to disclose annually, specifically by Member state and by third country in which it has an establishment, the following information on a consolidated basis for the financial year:

- a) Name, nature of activities and geographical location;
- b) Turnover;
- c) Number of employees on a full time equivalent basis (FTE);
- d) Profit or loss before tax;
- e) Tax on profit or loss; and
- f) Public subsidies received.

Permanent TSB Group Holdings plc (PTSBGH) is the holding company of Permanent TSB plc (PTSB). PTSBGH is required to comply with Regulation 77.

PTSBGH prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

The CBCR disclosures are prepared under International Financial Reporting Standards as adopted by the European Union (EU) except as regards the scope of consolidation which is on a prudential basis.

The principal difference between the statutory consolidated financial statements and prudential basis of consolidation relates to the Group's wholly owned life insurer, Irish Permanent Property Company DAC (Captive) which is fully consolidated in the statutory financial statements but treated as an investment in the prudential consolidation.

In the disclosures that follow:

1. Country of establishment is defined as the geographical location of the business unit booking the transaction.
2. Turnover includes net interest income, net fees and commission income, net trading income and net other operating income.
3. The tax paid figure disclosed refers to corporation tax only. The tax paid figure may not directly relate to the accounting profits earned in that year as differences can arise between accounting profit and taxable profit as a result of applying local tax legislation.
4. The tax charge figure includes current tax expenses but does not include deferred taxes or any provisions for uncertain tax liabilities.
5. The number of employees on a full time equivalent basis is reported as the average during the year.
6. Public subsidies are defined to be direct support by the government. It does not include any central bank operations that are designed for financial stability purposes or operations that aim to facilitate the functioning of the monetary policy transmission mechanism. General tax incentives or schemes in line with the European Commission's guidance on State Aid do not fall within the definition of public subsidy for the purposes of CBCR.

Principal Subsidiaries*:

Name	Nature of activities	Country of establishment
Permanent TSB plc	Retail banking and mortgage lending	Ireland

*Principal subsidiaries are defined on page 222 of the 2018 Annual Report.

Turnover, Profit/Loss before tax, Taxation and Average FTEs:**

Country	Turnover €m	Profit/Loss before tax €m	Tax paid/ (refunded) on Profit/Loss €m	Tax charge on Profit/Loss €m	Average FTEs
Ireland	442	3	2.1	(2.0)	2,416
United Kingdom	-	-	-	-	-
Isle of Man	-	-	-	-	2
Total	442	3	2.1	(2.0)	2,418

Public Subsidies

The Group has not received any public subsidies during the year ended 31 December 2018.

**The information above is audited in accordance with Directive 2006/43/EC.

Independent auditors' report to the directors of Permanent TSB Group Holdings plc ("the Bank")

Report on the audit of the Country-by-Country Reporting Schedule

Opinion

In our opinion, Permanent TSB Group Holdings plc's Country-by-Country Reporting Schedule for the year ended 31 December 2018 has been properly prepared, in all material respects, in accordance with the Basis of Preparation set out on page 2.

We have audited the Country-by-Country Reporting Schedule for the year ended 31 December 2018 which comprises the Country by Country reporting for the year ended 31 December 2018 and the Basis of Preparation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ("ISAs (Ireland)"), including ISA (Ireland) 800 and ISA (Ireland) 805, and applicable law. Our responsibilities under ISAs (Ireland) are further described in the Auditors' responsibilities for the audit of the Country-by-Country Reporting Schedule section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Bank in accordance with the ethical requirements that are relevant to our audit of the Country-by-Country Reporting Schedule in Ireland, which includes IAASA's Ethical Standard as applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the Country-by-Country Reporting Schedule, which is not modified, we draw attention to the Basis of Preparation. The Country-by-Country Reporting Schedule is prepared for the directors for the purpose of meeting the requirements of Regulation 77 of Statutory Instrument 158 of 2014. The Country-by-Country Reporting Schedule has therefore been prepared in accordance with a special purpose framework and, as a result, the Country-by-Country Reporting Schedule may not be suitable for another purpose.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the Country-by-Country Reporting Schedule is not appropriate; or
- the directors have not disclosed in the Country-by-Country Reporting Schedule any identified material uncertainties that may cast significant doubt about the Bank's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Country-by-Country Reporting Schedule is authorised for issue.

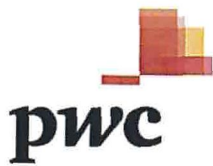
However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Bank's ability to continue as a going concern.

Responsibilities for the Country-by-Country Reporting Schedule and the audit

Responsibilities of the directors for the Country-by-Country Reporting Schedule

The directors are responsible for the preparation of the Country-by-Country Reporting Schedule and for the appropriateness of the basis of preparation. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of country-by-country reporting schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Country-by-Country Reporting Schedule, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.



Auditors' responsibilities for the audit of the country-by-country reporting schedule

It is our responsibility to report on whether the Country-by-Country Reporting Schedule has been properly prepared in accordance with the Basis of Preparation.


Our objectives are to obtain reasonable assurance about whether the Country-by-Country Reporting Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Country-by-Country Reporting Schedule.

A further description of our responsibilities for the audit of the Country-by-Country Reporting Schedule is located on IAASA's website at: https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the Bank's directors. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.


PricewaterhouseCoopers
Chartered Accountants and ~~Statutory~~ Auditors

25 March 2019