

THIS CIRCULAR AND THE ACCOMPANYING FORM OF PROXY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to what action you should take, you are recommended to immediately consult your stockbroker, bank manager, solicitor, fund manager or other appropriate independent financial advisor being, if you are resident in Ireland, an organisation or firm authorised or exempted pursuant to the European Communities (Markets in Financial Instruments) Regulations 2007 (Nos. 1 to 3) (as amended) or the Investment Intermediaries Act 1995 (as amended), if you are resident in the United Kingdom, a firm authorised under the Financial Services and Markets Act 2000 (as amended) of the United Kingdom, or another appropriately authorised professional advisor if you are resident in a territory outside Ireland or the United Kingdom.

If you have sold or otherwise transferred your entire holding of Ordinary Shares in permanent tsb Group Holdings p.l.c., please forward this Circular, together with the enclosed Form of Proxy, to the purchaser or transferee of your Ordinary Shares, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee as soon as possible.

The distribution of this Circular into any jurisdictions outside Ireland and the United Kingdom may be restricted by law and therefore persons into whose possession this Circular comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.

Capitalised terms used in this Circular shall, unless otherwise stated or defined, take their meaning from the Definitions section set out in Part III (*Definitions*) of this Circular.

THIS CIRCULAR IS NOT A PROSPECTUS AND DOES NOT CONSTITUTE OR FORM PART OF ANY OFFER OR INVITATION TO ANY PERSON TO SUBSCRIBE FOR OR PURCHASE ANY SECURITIES IN PERMANENT TSB GROUP HOLDINGS p.l.c. OR IN ANY OTHER COMPANY IN THE GROUP.

This Circular is a shareholder circular and is being sent to you solely for your information in connection with the Resolutions to be proposed at the Annual General Meeting of the Company. It does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to sell, dispose of, purchase, acquire or subscribe for, any security including any New Ordinary Shares that may be issued in connection with the Capital Package.



permanent tsb Group Holdings p.l.c.

(Incorporated and registered in Ireland under the Irish Companies Acts with registered number 474438)

Share capital and related authorisations to enable future implementation of the Capital Package

and

Notice of Annual General Meeting

Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 5 to 15 of this Circular and which contains the recommendation of the Board to Shareholders to vote in favour of the Resolutions to be proposed at the Annual General Meeting referred to below. You should read this Circular in its entirety and consider whether or not to vote in favour of the Resolutions in light of the information contained in this Circular.

Notice of an Annual General Meeting to be held at The Ballsbridge Hotel, Pembroke Road, Ballsbridge, Dublin 4 at 11.30 a.m. on 8 April 2015 is set out at the end of this Circular. A form of proxy for use at the Annual General Meeting is enclosed which, if you wish to appoint a valid proxy, should be completed and signed in accordance with the instructions printed thereon, and returned by post to the Company's Registrars, Capita Asset Services, Shareholder solutions, P.O. Box 7117, Dublin 2, Ireland or deposited by hand (during normal business hours only, being 9.00 a.m. to 5.00 p.m.) at the registered office of the Company at 56-59 Stephen's Green, Dublin 2, Ireland or at Capita Asset Services, Shareholder solutions, 2 Grand Canal Square, Dublin 2, Ireland or submitted by fax (in legible form) to +353 (0)1 224 0700, in each such case as soon as possible but in any case so as to be received by the Company or the Company's Registrars no later than 11.30 a.m. on 6 April 2015. The completion and return of a proxy will not preclude you from attending and voting in person at the Annual General Meeting, or any adjournment thereof, should you wish to do so.

Electronic proxy appointment is also available for the Annual General Meeting. This facility enables a Shareholder to lodge its proxy appointment by electronic means by logging on to the website of the Company's Registrars, Capita Asset Services, Shareholder solutions: www.capitashareportal.com and entering the Company's name (permanent tsb Group Holdings p.l.c.) where instructed in the Shareholder portal. If you have not previously registered you will need to click on the 'registration section' and follow the instructions provided. Alternatively, for those who hold Ordinary Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Asset Services (CREST participant ID 7RA 08). In each case the proxy appointment must be received by no later than 11.30 a.m. on 6 April 2015. The completion and return of a proxy will not prevent you from attending and voting in person at the Annual General Meeting, or any adjournment thereof, should you wish to do so.

This Circular has been issued by the Company. None of the Minister for Finance, the Department of Finance, the Irish Government, the National Treasury Management Agency or any person controlled by or controlling any such person, or any entity or agency of or related to the State, or any director, officer, official, employee or adviser (including without limitation legal and financial advisors) of any such person (each such person, a "relevant person" for the purposes of this paragraph) accepts any responsibility for the contents of, or makes any representation or warranty as to the accuracy, completeness or fairness of any information in, this Circular or any document referred to in this Circular or any supplement or amendment thereto (each a "transaction document" for the purposes of this paragraph). Each relevant person expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of

any transaction document. No relevant person has authorised or will authorise the contents of any transaction document, or has recommended or endorsed the merits of the offering of securities or any other course of action contemplated by any transaction document.

No person has been authorised to give any information or make any representations other than those contained in this Circular and, if given or made, such representations must not be relied on as having been so authorised. The delivery of this Circular shall not, under any circumstances, create any implication that there has been no change to the affairs of the Company or the Group since the date of this Circular or that the information is correct as of any subsequent time.

Forward looking statements

This Circular includes statements which are, or may be deemed to be, forward looking statements. These forward looking statements can be identified by the use of forward looking terminology, including the terms “anticipates”, “believes”, “estimates”, “expects”, “intends”, “targets”, “may”, “plans”, “projects”, “should” or “will”, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this Circular and include, but are not limited to, statements regarding the Group’s intentions, beliefs or current expectations concerning, among other things, the Group’s results of operations, financial position, prospects, growth, target total shareholder returns, liquidity, investment strategy, financing strategies and expectations for the Irish property industry.

By their nature, forward looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward looking statements are not guarantees or assurances of future performance and the actual results of the Group’s operations, its financial position and the development of the markets and the industry in which the Group operates, may differ materially from those described in, or suggested by, the forward looking statements contained in this Circular. In addition, even if the results of the Group’s operations, its financial position and the development of the markets and the industry in which the Group operates, are consistent with the forward looking statements contained in this Circular, those results or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments of the Group to differ materially from those expressed or implied by the forward looking statements including, without limitation, general economic and business conditions, industry trends, competition, changes in law or regulation, changes in taxation regimes, the availability and cost of capital, currency fluctuations, changes in its business strategy and political and economic uncertainty.

Forward looking statements may, and often do, differ materially from actual results. Any forward looking statements in this Circular reflect the Group’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group’s operations, results of operations, growth strategy and liquidity.

Save as required by law, the Group undertakes no obligation to update these forward looking statements and will not publicly release any revisions it may make to these forward looking statements that may occur due to any change in the Group’s expectations or to reflect events or circumstances after the date of this Circular.

Shareholder helpline telephone number

Any Shareholder requiring assistance in understanding the matters raised in this Circular may telephone the Shareholder helpline on 01 5530050 (if calling from Ireland) or +353 15530050 (if calling from outside Ireland), open from 9.00 a.m. to 5.00 p.m. on any business day. For legal reasons this helpline will not provide advice on the merits of the Resolutions, or give any personal, legal, financial, investment or taxation advice, for which you will need to consult your own legal, financial or taxation adviser. Calls may be recorded and monitored for security and training purposes.

The Group’s 2014 Annual Financial Report is available to view online at www.permanenttsbgroup.ie.

This Circular is dated 13 March 2015.

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE OF PRINCIPAL EVENTS.....	4
PART I: LETTER FROM THE CHAIRMAN.....	5
PART II: ADDITIONAL INFORMATION.....	16
PART III: DEFINITIONS.....	18
APPENDIX NOTICE OF AN ANNUAL GENERAL MEETING OF PERMANENT TSB GROUP HOLDINGS p.l.c.	26

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Each of the times and dates is subject to change without further notice. Please refer to the notes for this timetable set out below.

Event	Time and Date
Publication date of this Circular	13 March 2015
Latest time for receipt of forms of proxy and CREST proxy instructions for the Annual General Meeting	11.30 a.m. on 6 April 2015
Record date for voting	6.00 p.m. on 6 April 2015
Annual General Meeting	11.30 a.m. on 8 April 2015
Announcement of the results of the Annual General Meeting	8 April 2015
Record time for the Ordinary Share Consolidation	6.00 p.m. on 10 April 2015
Time before which consolidation and renominalisation of Ordinary Shares becomes effective and when dealing in New Ordinary Shares on the ESM of the ISE commences	8.00 a.m. on 13 April 2015
CREST accounts credited with New Ordinary Shares in the case of CREST Shareholders	8.00 a.m. on 13 April 2015
Issue of new share certificates in respect of the New Ordinary Shares in the case of Non CREST Shareholders	No later than 30 April 2015

Notes:

- (1) The times and dates set out in the expected timetable of principal events above and mentioned in this Circular, the Form of Proxy and any other document issued by the Company in connection with the Resolutions and/or the Annual General Meeting, are subject to change by the Company, in which event details of the new times and dates will be notified to the Irish Stock Exchange and, where appropriate, to Shareholders by way of an announcement issued via a Regulatory Information Service.
- (2) References to times in this timetable are to Dublin times unless otherwise stated.

PART I:
LETTER FROM THE CHAIRMAN



(Incorporated in Ireland under the Irish Companies Acts – registered number 474438)

Directors:

Alan Cook – *Group Chairman*
Jeremy Masding – *Group Chief Executive Officer*
Glen Lucken – *Group Chief Financial Officer*
Dominic Dodd – *Non-Executive Director*
Emer Daly – *Non-Executive Director*
Ken Slattery – *Non-Executive Director*
Julie O’Neill – *Non-Executive Director*
Richard Pike – *Non-Executive Director*
David Stewart – *Non-Executive Director*

Registered Address and Head Office:

56-59 St. Stephen’s Green
Dublin 2

Company Secretary:

Ciarán Long

13 March 2015

Dear Shareholder,

1. INTRODUCTION

In recent years our annual general meeting has been very much focused on ordinary and routine matters, such as the receipt and consideration of the annual financial statements, the re-appointment of directors and other customary matters. This has reflected the ongoing reorganisation of the business and financial model of the Group over that time, and a restructuring of many of its activities.

We have now reached a stage where the Group proposes to raise new capital to meet additional regulatory capital requirements and to facilitate the further development of its business. This capital is anticipated to be raised from private, institutional and other investors, and on the basis that existing Shareholders would also be given the opportunity (subject to customary exclusions) to invest in the Company on the basis of the same price per share, when determined, at which the new equity capital will be raised.

While we have reached a point where the amount of the new capital to be sought has been determined and is set out below, the terms and manner in which the new capital is to be raised have not yet been finalised. This is expected to be determined in the coming weeks and months.

More specifically, on 26 October 2014, in the context of the publication of the ECB’s results of its Single Supervisory Mechanism Comprehensive Assessment (the “SSM CA”), the Company announced that the Group plans to raise an amount of capital from private investors to support both the maintenance of prudent capital buffers and profitable growth. On 11 March 2015, the Company announced that the Group intends to raise in aggregate €525m capital, of which €400m is expected to be by way of the issue of New Ordinary Shares, and €125m is expected to be by way of the issue of additional tier 1 debt securities.

By raising this capital, the Directors believe the Group’s capital structure will be further normalised. This will include the intended repurchase of the existing €400 million Contingent Capital Notes in issue since 2011, support for the maintenance of prudent capital buffers in the Group, and securing the remaining amount of the additional regulatory capital required (after the impact of various management actions) under the SSM CA adverse scenario

stress test. Raising this capital will also support the Group: in maintaining its position as a leading retail bank in Ireland; in the orderly sale of its non-core assets; and in its objectives of ongoing commercial growth across key categories and a return to sustainable profitability.

Therefore, in addition to the ordinary business of recent years, Shareholders are being asked at this year's annual general meeting to authorise a number of measures to facilitate the new capital being raised, and to implement a number of actions necessary to support that objective. These additional measures involve:

- Board share allotment authority (and an increased authorised share capital) – limited solely, however, to raising the new capital;
- the related dis-application of statutory pre-emption rights (having regard to the proposed opportunity for existing Shareholders, subject to customary exclusions, to invest in the Company on the basis of the same price at which the new equity capital will be raised);
- a consolidation and renominalisation of Ordinary Shares to allow better pricing flexibility for the Capital Raise, and targeted at facilitating a market share price at levels more consistent with the size of the Group;
- an adjustment to the rights of the existing Deferred Shares (which are not listed and have negligible rights and no intrinsic value) so as to align them with new regulatory capital requirements;
- a reorganisation of balance sheet reserves (specifically the share premium reserve) to better position the Company to pay dividends in the future – which is a necessary step in facilitating the issuance of new equity capital; and
- the amendment of the Articles of Association of the Company to reflect the above, to have regard to the new Irish company law code, the Companies Act 2014, and to deal with certain other matters.

Further details are set out below, and later in this document, on the background to the proposed Capital Raise, how such new capital would be deployed, and key benefits expected to arise to the Group as a result. This document also contains a description of significant technical details and context which are also relevant and necessary in considering the Resolutions.

It is extremely important that Shareholders vote in favour of the proposals put forward for approval at this year's annual general meeting. Failure to do so is likely to result in very significant negative consequences for the Group and its Shareholders as a whole, as outlined in section 10 of this letter.

2. BACKGROUND TO THE PROPOSALS

Capital Requirements under the SSM CA

The results of the SSM CA for the Group were announced on 26 October 2014. These were supportive of the Group's provisioning levels and confirmed that the Group continued to meet all of its minimum capital requirements with no capital shortfalls identified in the asset quality review or, in relation to the stress test, under the baseline scenario (in relation to which the Bank had a Common Equity Tier 1 Capital Ratio of 8.82 per cent., once the required adjustments were applied by the ECB. This exceeded the ECB requirement to have a Common Equity Tier 1 Capital Ratio of at least 8.00 per cent. under the baseline scenario). However, in relation to the stress test, under the adverse scenario, a requirement for the Group to have an additional capital buffer of €855m for the balance sheet at 31 December 2013 was identified.

Response to Capital Requirements under the SSM CA

Approximately €730m of the €855m requirement under the SSM CA results for the Group was allowed for through management actions, including pre-provision profitability, asset sales and technical items, as well as the potential use of the Contingent Capital Notes. The additional capital required under the SSM CA must be raised by the Group within 9 months from the date of publication of the SSM CA results, being 26 July 2015.

In addition to raising capital to meet the €125m remaining capital requirement under the SSM CA, the Board intends to raise approximately €400m of additional capital. The resultant combined €525m would enable the Group to repurchase the €400m of Contingent Capital Notes which are due for redemption in 2016, thereby facilitating a significant coupon saving, removing an overhang on the Ordinary Shares (due to possible future conversion and therefore dilution), returning capital to the State ahead of schedule and improving the quality of the Bank's regulatory capital in line with regulatory requirements. A Capital Package of the size proposed would also assist in catering for additional future losses that may arise as a result of further disposals of the Non-Core Business in line with the Group's stated strategy.

The Capital Package is expected to consist of (i) an issue of New Ordinary Shares to institutional, private equity and/or other investors in respect of a placing of €400m of New Ordinary Shares and (ii) an issue of €125m Additional Tier 1 Capital Instruments. In addition, separate to the Capital Package, the Company intends to offer, by way of the Open Offer (subject only to certain exclusions outlined in section 4 below), an opportunity to Qualifying Shareholders to invest in New Ordinary Shares at the same price as is available under the Capital Raise such that they will (if participating in respect of their entitlement) not suffer dilution as a result of the Capital Raise. Qualifying Shareholders will be provided with more detail in relation to the Open Offer and what actions Qualifying Shareholders will need to take if they wish to participate in the Open Offer in a separate circular that will be issued to Qualifying Shareholders by the Company in due course.

Further detail in relation to the rationale and key benefits of these proposals are set out in section 3 below. Detail on the Resolutions required to be approved to facilitate future implementation of the Capital Package and Open Offer (in respect of which the State is expected to waive its right to participate) is set out in sections 4 and 8 below.

3. RATIONALE AND KEY BENEFITS OF THE CAPITAL PACKAGE

Successful completion of the Capital Package would enable the achievement of key objectives for the Board, including (i) the attraction of new third party investors providing a significant amount of capital to the Company as it seeks to diversify the Company's ownership profile and increase its free float and (ii) security that the additional capital required to address the remaining recapitalisation requirement pursuant to the SSM CA will be available within the required timeframe.

In addition, the Directors believe that successful implementation of the Capital Package would have the following important benefits for the business and operations of the Group:

- (i) *Strengthen the Group in the implementation of its strategy and in the delivery of its key strategic objectives:* By strengthening the Group's capital position, the Directors believe that the completion of the Capital Package would support the Group in maintaining its position as a leading retail bank in Ireland, in addition to providing additional flexibility in the management of legacy issues and acceleration of the delivery of the Group's stated deleveraging strategy.
- (ii) *Increase Common Equity Tier 1 Capital:* It is anticipated that, if approved and, in due course, implemented with the expected components and on the envisaged terms, the Capital Package will increase Common Equity Tier 1 Capital thereby providing a stronger capital foundation which would better support the future stability of the Group, provide a platform for growth and delivery of long term value and better position the Group to address its regulatory and compliance requirements.
- (iii) *Strengthen the Group's funding capability:* A stronger capital position, which would ensue in the event of implementation of the Capital Package, is expected to provide wholesale funding markets and depositors with further confidence in the Group, resulting in further stabilisation and improved cost of funding for the Group.
- (iv) *A significant step towards the objective of transitioning ownership of the Group from State ownership to private sector ownership:* The prospect of securing third party investment in the Group through the Capital Package is consistent with the Group's and the State's objectives: that, over time, ownership of the Group is transitioned from the State to the private sector, and that the State is not called upon to inject further additional capital into the Group.

- (v) *The repurchase of the Contingent Capital Notes would have cashflow and profitability benefits for the Group, and would enable the Group to fully reimburse the State for its €400m investment in the Contingent Capital Notes:* The proposed repurchase of the Contingent Capital Notes from the Irish Government with funds generated from the Capital Package would result in an annual saving of approximately €40m in interest payment obligations between the date of repurchase and the maturity of the Contingent Capital Notes on 28 July 2016 and avoid an associated reduction in Common Equity Tier 1. The effective replacement of the Contingent Capital Notes with the Capital Package would also enhance the quality of the Group's regulatory capital for the purposes of CRD IV in that the Contingent Capital Notes constitute Tier 2 Capital whereas the New Ordinary Shares and the Additional Tier 1 Capital Instruments will constitute Tier 1 Capital.

4. APPROVALS FOR IMPLEMENTATION OF CAPITAL PACKAGE

Accordingly, it is envisaged that the Capital Package would comprise the following key elements:

- (1) an equity issue by way of a placing of New Ordinary Shares to new institutional, private equity and/or other investors to raise €400m; and
- (2) an issue of Additional Tier 1 Capital Instruments to raise €125m.

Separately and outside of the Capital Package, it is proposed that an opportunity will be given, by way of the Open Offer, to existing Qualifying Shareholders (that is, existing Shareholders who continue to be Shareholders on the Open Offer Record Date other than the State, (which is expected not to participate in the proposed Open Offer), and other than untraced Shareholders and Shareholders in excluded territories who, in the view of the Company, it is necessary to exclude from the Open Offer on account of the laws or regulatory requirements of that jurisdiction) to invest in New Ordinary Shares at the same price as will be made available under the Capital Raise in order to maintain a percentage interest in Ordinary Shares following the Capital Raise, which is not less than they held prior to the Capital Raise.

If Shareholders approve the share allotment and other authorities to be granted to the Directors to enable implementation of the Capital Package, by passing Resolutions 5 to 9 (inclusive) at the AGM, it is intended that further steps to implement the Capital Package will be taken over the coming weeks and months. To the extent that the necessary approvals are forthcoming, the Company will provide further information to the market and its Shareholders in relation to progress in implementation of the Capital Package in due course. As mentioned above, in such circumstances, Qualifying Shareholders can also expect to receive additional detail in relation to the manner in which they can participate in the Open Offer once its terms have been finalised.

Approval of the Capital Package Resolutions at the AGM would remove the cost and delay associated with holding an additional general meeting to deal with these matters and would mean that, if the Capital Package Resolutions are approved, the Company would be able to complete the Capital Package without unnecessary delay or uncertainty associated with obtaining Shareholder approval.

Further information on Resolutions 1 to 9 (inclusive) is set out in section 8 below. Resolutions 7 and 8 relate to the Share Premium Reduction and the Share Reorganisation respectively and the background to, and reasons for, these proposals are explained in more detail in sections 5 and 6 below.

5. FURTHER INFORMATION IN RELATION TO THE SHARE REORGANISATION

As part of the preparations for the implementation of the Capital Package, Shareholder approval will be sought at the AGM for a reorganisation of the Company's share capital, comprising subdivision, consolidation and a part redesignation of the existing Ordinary Shares. Each Shareholder's proportionate interest in the issued Ordinary Shares of the Company (save for rounding to avoid fractional entitlements) will remain unchanged as a result of the Share Reorganisation.

As outlined above, it is proposed that part of the Capital Package will involve the issue of New Ordinary Shares to institutional, private equity and/or other investors. As the first step in the Share Reorganisation, Resolution 8

proposes a share subdivision which will result in an initial reduction of the nominal value of the Ordinary Shares from €0.031 to €0.001. Nominal value of shares is a legal concept and there is no direct link between the nominal value and the existing market price of the Ordinary Shares (nor the possible issue price of New Ordinary Shares as part of the Capital Package).

The subsequent Ordinary Share Consolidation which is also provided for in Resolution 8 will result in an increase of the nominal value of the Ordinary Shares from €0.001 to €0.50 and should then result in a restoration of the market price of New Ordinary Shares to a more appropriate range for the Company, thereby increasing the marketability of the New Ordinary Shares. As entitlements of Shareholders to New Ordinary Shares on the Ordinary Share Consolidation are being rounded up to the next whole number, no Shareholder will be removed from the register of shareholders of the Company or lose out on account of fractional entitlements that would otherwise result from the Ordinary Share Consolidation.

Details of the Share Reorganisation

It is proposed that, subject to Shareholder approval, the Share Reorganisation would be implemented in three inter-conditional steps: (1) the subdivision of existing Ordinary Shares; (2) the consolidation and redesignation of a proportion of the resulting Ordinary Shares as Deferred Shares; and (3) the consolidation of the remaining Ordinary Shares. The Deferred Shares have existed in the capital of the Company since 2011 have no voting or dividend rights and are designed to ensure that they have no intrinsic economic value. The New Ordinary Shares created following the Ordinary Share Consolidation will have the same voting and dividend rights as the Ordinary Shares currently held by Shareholders.

Ordinary Share Subdivision

The current nominal value of each of the existing Ordinary Shares is €0.031. Pursuant to the proposed subdivision, each existing Ordinary Share would be subdivided into 31 new Ordinary Shares of €0.001 nominal value, from the time at which the Resolution in respect of the subdivision becomes effective (which will be immediately prior to the consolidation and redesignation).

Consolidation as Ordinary Shares and Consolidation and Redesignation as Deferred Shares

Immediately after the subdivision of the Ordinary Shares:

- (1) five of every 31 newly subdivided Ordinary Shares of €0.001 each will be consolidated into one Ordinary Share of €0.005; and
- (2) every 289 of the remaining subdivided Ordinary Shares of €0.001 each will be consolidated and redesignated as one newly created Deferred Share of €0.289 (the “Deferred Share Consolidation”)

Ordinary Share Consolidation

Immediately thereafter it is proposed that the Ordinary Shares of €0.005 each then remaining would be further consolidated such that for every 100 Ordinary Shares of €0.005 each held by each Shareholder, one newly consolidated New Ordinary Share of €0.50 will result. Unless a Shareholder’s holding of Ordinary Shares at the Consolidation Record Date, being the date on which the Ordinary Share Consolidation takes place, is exactly divisible by 100, a Shareholder will have a fractional entitlement to a New Ordinary Share of €0.50 following the Ordinary Share Consolidation. Accordingly, in order to address residual fractional holdings of less than 100 Ordinary Shares of €0.005 that would otherwise result from the consolidation, an upward rounding exercise is proposed to ensure that such Shareholders are not disadvantaged by the Ordinary Share Consolidation and their proportional interest in the issued Ordinary Shares of the Company will remain unchanged following the Ordinary Share Consolidation.

This rounding exercise will involve the allotment of new Ordinary Shares of €0.005 each (funded, without cost to Shareholders, from existing reserves standing to the credit of the Company in its share premium account) to such Shareholders who would otherwise be left with a fractional residual holding of less than 100 Ordinary Shares of

€0.005 after the Ordinary Share Consolidation. As such, all fractional residual holdings of less than 100 Ordinary Shares of €0.005 will be rounded upwards such that they convert into one New Ordinary Share of €0.50.

Consolidation and Redesignation as Deferred Shares

Similarly, unless, following the Subdivision and the Ordinary Share Consolidation, a Shareholder’s remaining holding of Ordinary Shares of €0.001 each at the Consolidation Record Date, being the date on which the Deferred Share Consolidation takes place, is exactly divisible by 289, a Shareholder will have a residual fractional holding of less than 289 Ordinary Shares of €0.001 each following the Deferred Share Consolidation. Accordingly, in order to address residual holdings of less than 289 Ordinary Shares of €0.001 that would otherwise result from a 289 for 1 share consolidation, a rounding up exercise is proposed to ensure that no fractional entitlements will remain.

Similar to the process described above in the context of the Ordinary Share Consolidation, the rounding exercise will involve the allotment of new Ordinary Shares of €0.001 each (again funded from existing reserves standing to the credit of the Company in its share premium account, without any cost to Shareholders) to such Shareholders who would otherwise be left with a residual holding of less than 289 Ordinary Shares of €0.001 after the Deferred Share Consolidation. As such, all residual fractional holdings of less than 289 Ordinary Shares of €0.001 will be rounded upwards by the issue of additional Ordinary Shares of €0.001 each such that they convert into one new Deferred Share of €0.289. The Deferred Share Consolidation has no impact on the Ordinary Share Consolidation.

No share certificates or documents of title will be issued in respect of any Deferred Share, nor will CREST accounts of Shareholders be credited in respect of any entitlement to Deferred Shares, nor will any Deferred Share be admitted to the ESM or any other investment exchange. No Deferred Share shall be transferable at any time, other than with the prior written consent of the Directors. In this context and for such purpose, the Directors are recommending that such amount of the share premium account be applied in payment of such new Ordinary Shares of €0.001 each to such Shareholders and in such proportions as between them to ensure that following the Ordinary Share Consolidation and the Deferred Share Consolidation no Shareholder is left with a residual holding of (respectively) less than 100 Ordinary Shares of €0.005 each or less than 289 Ordinary Shares of €0.001 each.

The effect of the Share Reorganisation is illustrated by the following examples:

Holding of existing Ordinary Shares of €0.031 on the Consolidation Record Date	Number of New Ordinary Shares of €0.50 resulting	Number of Deferred Shares of €0.289 resulting
1	1	1
99	1	9
300	3	27
330	4	30
1580	16	143

There are a number of reasons why the Share Reorganisation is required and will benefit Ordinary Shareholders. Without such a consolidation, there would be a very large number of Ordinary Shares in issue both prior to, and subsequent to, the Capital Raise and Open Offer. In addition, it is likely that these Ordinary Shares would trade (as they currently do) in a so called ‘penny stock’ range which would impact negatively on the marketability of such Ordinary Shares. For an organisation of the size and profile of the Group, and, following the completion of the Capital Raise and the Open Offer, with a significantly higher free float and normalised investor register, the Board believes a higher price per share range would be more appropriate. The Ordinary Share Consolidation has been structured so that it does not result in the removal of any Shareholder from the register or cause Shareholders to lose out due to a fractional entitlement. All Shareholders on the register as of the Consolidation Record Date will receive one New Ordinary Share for every 100, or, following the rounding exercise outlined above, portion of 100 Ordinary Shares held.

Shareholders should note that, except for the increase in nominal value of each Ordinary Share, the voting and dividend rights attaching to the New Ordinary Shares arising on the Share Reorganisation will be identical in all respects to those attaching to the existing Ordinary Shares at the date of this document. The percentage holding of Shareholders in the Company will (save for rounding to avoid fractional entitlements) be unchanged following the Share Reorganisation. New share certificates will be issued to Non-CREST Shareholders in substitution for their existing share certificates within 14 days of the Consolidation Effective Date. All existing share certificates will be invalid and will be cancelled. CREST Shareholders will have their accounts credited with the New Ordinary Shares to which they are entitled under the Ordinary Share Consolidation on the Consolidation Effective Date.

While the Deferred Shares have no economic value, it should be noted that the Deferred Share Consolidation has also been structured in a manner such that entitlements to Deferred Shares will be rounded up and not down.

6. FURTHER INFORMATION IN RELATION TO THE SHARE PREMIUM REDUCTION

As part of the preparations for implementation of the Capital Package, the Company proposes to carry out the Share Premium Reduction pursuant to which, subject to the confirmation of the High Court, an amount up to the full sum standing to the credit of the Company in its share premium account will be cancelled and the reserve resulting from such cancellation will be treated as profits available for distribution by the Company. If implemented, it is expected that the Share Premium Reduction would, subject to the legal, contractual, regulatory and capital requirements referred to below, reduce the constraints on the Company, due to a lack of distributable reserves, from paying dividends on its Ordinary Shares at a future date should the Board deem this to be appropriate.

The Share Premium Reduction itself will not involve any distribution or repayment of capital or share premium by the Company and will not reduce the underlying net assets of the Company and the Court will need to be satisfied that the interests of creditors are not prejudiced by the Share Premium Reduction.

Under Irish company law, the proposed reallocation of share premium to distributable reserves can only be undertaken with shareholder approval (being sought in Resolution 7) and with the confirmation of the High Court (intended to be sought at an appropriate time following the Annual General Meeting).

It should however be noted that, in the near and medium term, as the Group focuses on ongoing implementation of its strategy and the restoration of the Core Bank (and ultimately of the Group as a whole) to profitability while pursuing a conservative capital management policy, it is not expected that dividends will be declared. In addition certain regulatory and other restrictions continue to apply to the Company's ability to make such dividend payments on the Ordinary Shares. For example, the Company is prohibited from paying dividends to Shareholders prior to 31 December 2015 pursuant to requirements imposed by the ECB when noting the Group's Capital Plan, and also without the consent of the Minister pursuant to the terms of the 2011 Placing Agreement. Similarly, the terms of the EU Restructuring Plan provide that the Company shall not declare dividends before the Contingent Capital Notes are repurchased by the Bank or are fully repaid, sold by the State or converted. The payment of any future dividend to Shareholders will be dependent on the Company having sufficient distributable reserves at the time, and would also be dependent on financial performance and the Board's assessment at the time of the Company's interests.

7. FURTHER INFORMATION

Your attention is drawn to Part II (*Additional Information*) of this Circular, which provides additional information on certain matters referred to in this letter. Shareholders are advised to read the whole of this Circular (including any information incorporated by reference herein) and not to rely on the information in this Part I (*Letter from the Chairman*) only.

8. ANNUAL GENERAL MEETING RESOLUTIONS

A notice convening the Annual General Meeting to be held at 11.30 a.m. on 8 April 2015 at The Ballsbridge Hotel, Pembroke Road, Ballsbridge, Dublin 4 is set out at the end of this Circular. The purpose of the meeting is to consider and, if thought fit, pass Resolutions 1 to 9 (inclusive) as referred to below.

Ordinary Business:

Resolution 1: Adoption of Financial Statements

Resolution 1, which is an ordinary resolution, proposes adoption of the 2014 Annual Financial Report, including the Report of the Directors and Statement of Accounts, for the year ended 31 December 2014.

The 2014 Annual Financial Report for the year ended 31 December 2014 is available to view and download from the Company's website, www.permanenttsbgroup.ie. You may at any time opt to receive a paper copy of the 2014 Annual Financial Report by contacting the Company's Registrars, Capita Asset Services Shareholder Solutions (Ireland) on +353 (0)1-5530050 or by emailing enquiries@capita.ie.

Resolution 2: Report on Directors' Remuneration

Resolution 2, which is an ordinary resolution, proposes adoption of the Directors' Report on Remuneration for the year ended 31 December 2014, the full text of which is set out on pages 58 to 61 of the 2014 Annual Financial Report.

Resolution 3: Auditor's Remuneration

Resolution 3, which is an ordinary resolution, is asking members to authorise the Directors to determine the remuneration of the Company's auditors.

Resolution 4: Re-election of Directors

Resolution 4, which is an ordinary resolution, relates to the re-appointment of Directors. In accordance with corporate governance best practice, Alan Cook, Jeremy Masding, Glen Lucken, Dominic Dodd, Emer Daly, Ken Slattery, Julie O'Neill, Richard Pike and David Stewart will each voluntarily retire from office at the AGM and, being eligible, offer themselves for re-appointment.

Biographies of each of the Directors who are offering themselves for re-appointment at the AGM, together with a detailed description of their skills, expertise and experience are set out on pages 39 to 41 of the 2014 Annual Financial Report. The re-appointment of each Director will be considered separately.

All Directors are experienced and knowledgeable and the Board is confident that each Director being proposed will continue to make a valuable contribution and provide an independent and objective perspective in discharging his or her duties as a Director.

Special Business:

Resolution 5: Modification of Existing Authorised Share Capital and Directors' Authority to Allot Shares/Securities

Resolution 5, which is an ordinary resolution, contains three constituent parts.

Part (a) simplifies and regularises the share capital of the Company by cancelling three preference share classes which are redundant and in respect of which no shares have ever been issued.

Part (b) proposes an increase in the Company's authorised share capital by €2,622,600,000 to allow for the issue of the New Ordinary Shares as part of the Capital Raise, the issue of the Additional Tier 1 Capital Instruments, the Open Offer and to allow the exercise of existing contingent rights (in connection with the Contingent Capital Notes) to subscribe for Ordinary Shares. Ordinary Shares which would be issued as part of the Capital Package and Open Offer would be Ordinary Shares with a nominal value of €0.50 (i.e. New Ordinary Shares).

Part (c) of Resolution 5, authorises the Directors to allot relevant securities pursuant to and in accordance with section 20 of the Companies (Amendment) Act 1983, up to a maximum aggregate nominal value of €527,000,000 (representing approximately 47% of the Existing Issued Share Capital) in order to permit the Company to proceed with (i) the Capital Raise, (ii) the issue of the Additional Tier 1 Capital Instruments which could, in certain circumstances (explained below in section 3 Part III (*Additional Information*) of this Circular), convert into Ordinary Shares and (iii) the Open Offer. Unless renewed or revoked, the authority will remain in full force and effect until it expires at the conclusion of the next annual general meeting of the Company following the passing of Resolution 5 or, if earlier, the date which is 15 months from the date of passing of Resolution 5, provided that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred under Resolution 5 has expired.

Resolution 6: Disapplication of Statutory Pre-Emption Rights

Resolution 6, which is a special resolution and which is conditional upon the passing of Resolution 5, grants the Directors authority to issue New Ordinary Shares and other equity securities (such as the Additional Tier 1 Capital Instruments) for cash in respect of (i) the Capital Raise, (ii) the issue of the Additional Tier 1 Capital Instruments which could, in certain circumstances (explained in section 3 Part III (*Additional Information*) of this Circular), convert into Ordinary Shares and (iii) the Open Offer, without in each case applying statutory pre-emption rights for other shareholders. This authority will expire at the conclusion of the Company's next annual general meeting or if earlier the date which is 15 months from the date of passing of this Resolution 6, provided that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred under Resolution 6 has expired. This resolution is proposed having regard to the Open Offer to be extended to Qualifying Shareholders.

Resolution 7: Reduction of Share Premium Account

Resolution 7, which is a special resolution, approves, subject to the confirmation of the High Court, the cancellation of up to the full amount standing to the credit of the Company's share premium account on the date immediately preceding its approval and the reserves resulting from such cancellation to be treated as profits available for distribution.

Resolution 8: Share Reorganisation – Subdivision, Consolidations and Redesignation and adoption of New Memorandum and Articles

Resolution 8, which is a special resolution and which is conditional upon the passing of Resolution 5, contains three constituent parts.

Part (a) of Resolution 8, proposes amendments to the Articles which will be effected by adopting the New Articles which reflect the changes to the share capital of the Company that would be brought about by the passing of Resolutions 5 and 8. The proposed amendments to the Articles are also designed to take account of the Companies Act 2014 (which is expected to come into effect on 1 June 2015) and to align the Company's Articles with those of comparable listed companies. As detailed in Part II (*Additional Information*), a copy of the New Memorandum and Articles proposed, together with a comparison against the existing Memorandum and Articles, is available on the Company's website (www.permanenttsbgroup.ie), at its registered office and at the offices of A&L Goodbody in London.

Part (b) of Resolution 8 effects the Share Reorganisation described in more detail in section 5 above.

As mentioned in section 5, without a consolidation of the Ordinary Shares there would be a very large number of Ordinary Shares in issue and it is likely that these Ordinary Shares would continue to trade in a so called 'penny stock' range which would impact negatively on the marketability of the Ordinary Shares. Both the Ordinary Share Consolidation and the Deferred Share Consolidation have been structured so that they do not result in the removal of any Shareholder from the register of members of the Company.

Apart from very minor differences created as a result of the rounding exercise mentioned above, each Shareholder's proportionate interest in the issued Ordinary Shares of the Company will remain unchanged. Aside from the change in nominal value, (subject to the changes proposed to be introduced by Resolution 9) the rights attaching to the new €0.50 Ordinary Shares will be identical in all respects to those of existing €0.031 Ordinary Shares. The Share Reorganisation will not affect the Company's net assets. Consequently, the Share Reorganisation should not of itself affect a Shareholder's proportionate interest in the Company although, it is anticipated that the market price of Ordinary Shares should reflect the Ordinary Share Consolidation on, and subsequent to, the Consolidation Effective Date.

Resolution 9: Amendments to Rights of Deferred Shares

Resolution 9 provides for an adjustment to the rights of the Deferred Shares so as to align them with new regulatory capital requirements in the context of CRD IV. If Resolution 9 is approved, holders of Deferred Shares will have a new entitlement on a winding up to receive a fixed and nominal sum between them in priority to any amounts payable to the holders of Ordinary Shares on a winding up, and a removal of the existing and more remote right to payments on a winding up on the part of the holders of the Deferred Shares following the entitlement to payments in a winding up of the holders of the Ordinary Shares. This resolution, if passed, will come into effect following any required class consents of the holders of the Ordinary Shares and the Deferred Shares being obtained.

Voting at the AGM

The total number of Ordinary Shares in issue as of the date of this Circular is 36,525,797,323. On a vote by way of a show of hands every Shareholder who is present at the Annual General Meeting has one vote and every proxy has one vote (but no individual shall have more than one vote). On a poll every Shareholder who is present in person or by proxy has one vote for every Ordinary Share of which he is the holder. In accordance with standing practice, all of the Resolutions will be decided on a poll using the handheld voting devices that have now become a standard feature of shareholder meetings. Upon registration, you (or your proxy) will be provided with a handheld voting device and instructions on how to use it will be provided at the AGM.

Resolutions 1 to 5 inclusive are ordinary resolutions and therefore require a simple majority of votes cast by Shareholders voting in person or by proxy at the Annual General Meeting in order to be passed. Each of Resolutions 6 to 9 inclusive is a special resolution and requires at least 75% of the votes cast by Shareholders voting in person or by proxy at the Annual General Meeting to be in favour in order to be passed.

9. ACTION TO BE TAKEN IN RELATION TO THE ANNUAL GENERAL MEETING

At the Annual General Meeting, the Resolutions set out in the Notice of Annual General Meeting on page 26 of this Circular will be proposed. A Form of Proxy for use by Shareholders at the Annual General Meeting is enclosed.

Whether or not you wish to attend the Annual General Meeting, you should complete and sign the Form of Proxy and return it by post to the Company's Registrars, Capita Asset Services, Shareholder solutions, P.O. Box 7117, Dublin 2, Ireland or deposit it by hand (during normal business hours only being 9.00 a.m. to 5.00 p.m.) at the Company at its registered office at 55-59 Stephen's Green, Dublin 2, Ireland at Capita Asset Services, Shareholder solutions, 2 Grand Canal Square, Dublin 2, Ireland or submit it by fax (in legible form) to +353 (0)1 224 0700, or deposit it by hand (during normal office hours only being 9.00 a.m. to 5.00 p.m.) to the Company at its registered office, in any case so as to arrive no later than 11.30 a.m. on 6 April 2015. The return of the Form of Proxy will not prevent you from attending and voting in person at the Annual General Meeting, or any adjournment thereof, should you wish to do so.

Electronic proxy appointment is available for the Annual General Meeting. This facility enables a Shareholder to lodge its proxy appointment by electronic means by logging on to the website of the Registrars: www.capitashareportal.com and entering the Company name (permanent tsb Group Holdings p.l.c.) where instructed in the Shareholder portal. If you have not previously registered you will need to click on the

'registration section' and follow the instructions provided. Alternatively, for those who hold Ordinary Shares in CREST, a Shareholder may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Asset Services, Shareholder solutions (CREST participant ID 7RA08). In each case the proxy appointment must be received by no later than 11.30 a.m. on 6 April 2015. The return of the Form of Proxy will not prevent you from attending and voting in person at the Annual General Meeting or any adjournment thereof, should you wish to do so.

10. IMPORTANCE OF APPROVAL OF THE CAPITAL PACKAGE RESOLUTIONS

Approval of Resolutions 5 to 9 (inclusive) is necessary to enable implementation by the Company of the Capital Package in the future, which is the means by which the Company proposes to meet the requirements of the SSM CA. While there can be no absolute certainty at this time that the Capital Package will be implemented on the terms envisaged or within the timeframe expected, the Company believes that ensuring that it is in a position to achieve such implementation is in the best interests of the Group and its Shareholders as a whole. Securing the requisite Shareholder approvals in advance will mean that the Company would be able to complete implementation of the Capital Package and Open Offer without unnecessary delay or uncertainty associated with obtaining Shareholder approval following the procurement of investment commitments. As outlined below, failure to secure the necessary Shareholder approvals at the AGM, where fatal to the Capital Package, is likely to result in very significant negative consequences for the Group and its Shareholders as a whole.

If the resolutions required to be passed in order to facilitate the implementation of the Capital Package are not approved by Shareholders at the AGM, the Group will need to assess its strategic and operational position and may be required to find alternative methods for achieving the requisite capital ratios within the timeframe prescribed under the SSM CA (by 26 July 2015). Such methods could include, amongst other things, an accelerated reduction in Risk Weighted Assets or disposal of certain of the Group's businesses. The Directors believe that there is a low probability that these alternative methods will be available or would be successful in adequately increasing the Group's regulatory capital ratios to the requisite levels without Irish Government involvement.

If the Group is unable to complete the Capital Raise and increase its capital ratios to the extent required under the SSM CA, in the absence of Irish Government support, the Group's business, results of operations and financial condition would suffer, it could be subject to censure, sanction or fine by the ECB, its ability to access funding would be reduced and its cost of funding would increase and, in an extreme scenario, it could lead to a suspension or revocation of its banking authorisation. The occurrence of any or all such events would be highly likely to have extremely adverse consequences for Shareholders.

Having regard to these factors, and the rationale and key benefits of the proposed Capital Package and Open Offer as set out in section 3 above, the Board provides the following recommendation to Shareholders.

RECOMMENDATION

The Board considers the approval of the Resolutions to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of all of the Resolutions.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Alan Cook', written over a horizontal line.

ALAN COOK

Group Chairman

**PART II:
ADDITIONAL INFORMATION**

1. DOCUMENTS ON DISPLAY

Copies of the documents referred to below will be available in electronic form on the Company's website (www.permanenttsbgroup.ie) and for inspection in physical form at its registered office and in the UK at A&L Goodbody, Augustine House, 6A Austin Friars, London EC2N 2HA, England between the hours of 9.30 a.m. and 5.30 p.m. on any week day on which banks are open generally for business in London up to and including the date of the AGM:

- (a) the 2014 Annual Financial Report;
- (b) the New Memorandum and Articles reflecting the changes proposed to be made pursuant to Resolution 8 and 9 together with a marked version showing the differences between the existing Memorandum and Articles and the New Memorandum and Articles; and
- (c) this Circular.

2. SHARE CAPITAL

Set out below are details of the existing authorised and issued share capital of the Company.

Existing Share Capital of the Company		
Share Class	Authorised	Issued
Ordinary Shares of €0.031 each	70,400,000,000	36,525,797,323
Deferred Shares of €0.289 each	70,400,000,000	276,782,351
Non-Cumulative Preference Shares of €1 each	300,000,000	0
Non-Cumulative Preference Shares of £1 each	100,000,000	0
Non-Cumulative Preference Shares of \$1 each	200,000,000	0

3. ADDITIONAL TIER 1 CAPITAL INSTRUMENTS

The Bank is required under CRD IV to maintain minimum levels of Tier 1 Capital, being the highest quality of regulatory capital. The Tier 1 Capital of the Bank is currently comprised primarily of Ordinary Shares.

The Additional Tier 1 Capital Instruments proposed to be issued by the Bank to institutional investors will be up to €125m of subordinated and perpetual debt instruments. It is intended that the Additional Tier 1 Capital Instruments will qualify as additional Tier 1 Capital of the Bank under CRD IV.

The advantages for the Bank of issuing the Additional Tier 1 Instruments include that the Bank will have access to a different class of institutional investor to those investors who wish only to acquire the New Ordinary Shares and that issuing the Additional Tier 1 Instruments will not dilute the voting rights of the Shareholders unless converted into Ordinary Shares, as outlined below.

The Additional Tier 1 Capital Instruments will be debt instruments and will constitute the direct, unsecured and subordinated obligations of the Bank. The instruments will carry a fixed interest rate, payable annually (subject to periodic adjustments).

If the Common Equity Tier 1 Capital Ratio of the Bank or the Bank Group falls below 7 per cent. (the “Trigger Event”), the Additional Tier 1 Capital Instruments will convert in their entirety into Ordinary Shares, as outlined in further detail below.

If the Trigger Event occurs, the Additional Tier 1 Capital Instruments will be immediately converted into a variable number of Ordinary Shares determined by dividing the principal amount of the Additional Tier 1 Capital Instruments by the conversion price. The conversion price will be at a fixed price to be determined, subject to certain anti-dilution adjustments. The Additional Tier 1 Capital Instruments will be subject to standard anti-dilution adjustments, such that the Additional Tier 1 Capital Instruments may provide that the conversion price be proportionately adjusted for certain specified events impacting on the issued share capital of the Company. Ordinary Shares issued pursuant to the conversion of the Additional Tier 1 Capital Instruments will be issued to the holders of the Additional Tier 1 Capital Instruments and (assuming the approval at the AGM of Resolution 6) Shareholders will not have pre-emption rights or the opportunity to subscribe for any such issue of Ordinary Shares. The Additional Tier 1 Capital Instruments will not be convertible at the option of the holders of the Additional Tier 1 Capital Instruments at any time and will not be redeemable for cash at any time.

All payments under the Additional Tier 1 Capital Instruments will be conditional upon the Bank being solvent at the time of payment by the Bank. Principal, interest or other amounts will only be due and payable in respect of the Additional Tier 1 Capital Instruments to the extent that the Bank could make such a payment and still be solvent immediately thereafter. The Bank may at any time elect to cancel any interest payment (or any part of it) which would otherwise be payable in respect of the Additional Tier 1 Capital Instruments on an interest payment date. The Bank will cancel any scheduled interest payment payable on an interest payment date if there are insufficient distributable items of the Bank available on that interest payment date. The cancellation of any scheduled interest payment will not constitute a default for any purpose on the part of the Bank and the entitlement to interest payments will not be cumulative.

The Additional Tier 1 Capital Instruments are perpetual. However, the Bank may, in its sole discretion, redeem the Additional Tier 1 Capital Instruments in full on the fifth anniversary of the issuance of the Additional Tier 1 Capital Instruments and on every interest payment date thereafter (subject to the approval of the Supervisory Authority).

The Additional Tier 1 Capital Instruments are subject to the following early redemption events:

1. Subject to certain conditions (including the prior approval of the Supervisory Authority), if at any time a capital disqualification event occurs and is continuing in respect of the Additional Tier 1 Capital Instruments, then the Bank may redeem the Additional Tier 1 Capital Instruments in full. A capital disqualification event will take place if a change in the regulatory classification of the Additional Tier 1 Capital Instruments occurs that was not reasonably foreseeable at the date of issuance and results in the Additional Tier 1 Capital Instruments being excluded from the Bank and/or the Bank group’s Tier 1 Capital.
2. Subject to certain conditions (including the prior approval of the Supervisory Authority), if at any time a tax gross-up event occurs and is continuing in respect of the Additional Tier 1 Capital Instruments, then the Bank may redeem the Additional Tier 1 Capital Instruments in full.

PART III: DEFINITIONS

In this Circular (including the Notice of Annual General Meeting) and the Form of Proxy, the following expressions shall have the following meanings, unless the context otherwise requires, or unless it is otherwise specifically provided in this Circular, the Notice of Annual General Meeting, or the Form of Proxy:

“€” or “EUR” or “euro”	the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community as amended
“\$” or “US\$” or “US Dollars”	the lawful currency of the United States
“£” or “Sterling” or “pounds” or “pence” or “STG£”	the lawful currency of the United Kingdom
“2011 Placing Agreement”	the placing agreement entered into between the Group, the Minister for Finance and the NTMA dated 27 July 2011
“2014 Annual Financial Report”	the financial report and accounts of the Company in respect of the year ended 31 December 2014 which was issued on 11 March, 2015
“Additional Tier 1 Capital Instruments”	the debt instruments pursuant to which the Group intends to issue up to €125m of additional Tier 1 Capital which, under certain specified circumstances, would convert in their entirety into Ordinary Shares
“adverse scenario”	the adverse scenario of the SSM CA as developed by the ECB focusing on those risks assessed by the European Systemic Risk Board as representing the most pertinent threats to banking sector stability including: (i) an increase in global bond yields amplified by an abrupt reversal in risk assessment, especially towards emerging market economies, and pockets of market liquidity; (ii) a further deterioration of credit quality in countries with weak fundamentals and vulnerable banking sectors; (iii) stalled policy reforms jeopardising confidence in the sustainability of public finances; and (iv) the lack of necessary bank balance sheet strength to attract affordable market funding
“AGM” or “Annual General Meeting”	the annual general meeting of the Company which is to be held at 11.30 a.m. on 8 April 2015
“AGM Notice” or “Notice of AGM” or “Notice of Annual General Meeting”	notice of the AGM of the Company as contained in the appendix to this Circular
“AMU”	the Group’s asset management platform
“Articles” or “Articles of Association”	the articles of association of the Company on the date of this Circular
“AT1 Debt”	any debt raised under the Additional Tier 1 Capital Instruments
“Bank” or “PTSB”	permanent tsb p.l.c., a company incorporated and registered under the laws of Ireland (registration number 222332) with its registered office at 56-59 St. Stephen’s Green, Dublin 2
“Bank Group”	the Bank and its subsidiary undertakings from time to time

“baseline scenario”	the baseline scenario of the SSM CA stress test, in respect of which the ECB employed various macroeconomic assumptions
“Board” or “Directors”	the board of directors of the Company from time to time, the members of which, as at the date of this Circular, are listed in Part I (<i>Letter from the Chairman</i>)
“business day”	a day (excluding Saturday, Sunday and public holidays) on which banks generally are open for business in Dublin and London for the transaction of normal banking business
“buy-to-let”	the purchase of a property for the purpose of letting it out
“Capital Package”	together the Capital Raise and the issuance of the Additional Tier 1 Capital Instruments
“Capital Package Resolutions”	Resolutions 5 to 9, inclusive
“Capital Plan”	the capital plan submitted by the Group to the ECB in November 2014 setting out how the Group proposed to address the additional capital required identified under the SSM CA
“Capital Raise” or “Placing”	the intended issue of New Ordinary Shares in the future to raise up to €400 million of additional capital
“Capital Requirements Directive”	Directive (2013/36/EU) of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated 26 June 2013, as amended or replaced from time to time
“Capital Requirements Regulation” or “CRR”	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms, as amended or replaced from time to time
“CET1 Amount”	at any time, as calculated by the relevant company on a consolidated basis and expressed in euro, the sum of all amounts of Common Equity Tier 1 Capital of the relevant company as at such time
“CET1 Ratio” or “Common Equity Tier 1 Capital Ratio”	at any time the ratio (expressed as a percentage) of the CET1 Amount divided by the RWA Amount, as at that time calculated by the relevant company
“CET1” or “Common Equity Tier 1 Capital”	all items that constitute common equity tier 1 capital (as that term is used in the Capital Requirements Regulation), being the highest quality form of regulatory capital under CRD IV, less any deductions from and any other adjustments to common equity tier 1 capital, in each case calculated in accordance with CRD IV
“CHL”	Capital Home Loans Limited, a principal subsidiary of the Group, a company incorporated in England and Wales (registered number 02174236)
“Circular”	this document

“Company”	permanent tsb Group Holdings p.l.c., a company incorporated and registered under the laws of Ireland (registration number 474438) with its registered office at 56-59 St. Stephen’s Green, Dublin 2
“Consolidated Ordinary Shares”	the Ordinary Shares of €0.50 each, proposed to be created by the passing of Resolution 8
“Consolidation Effective Date”	the market trading date by which the Ordinary Share Consolidation and the Deferred Share Consolidation will be effective, being 13 April 2015 or such other time and/or date as may be determined by the Directors
“Consolidation Record Date”	the record date for the purposes of the Ordinary Share Consolidation and the Deferred Share Consolidation being 6.00 p.m. on 10 April 2015 or such other time and/or date as may be determined by the Directors
“Contingent Capital Notes”	the €400m of convertible contingent Tier 2 Capital notes (carrying a 10 per cent. coupon) issued by the Bank to the Minister for Finance on 26 July 2011
“Control”	in relation to a person, means: (a) the direct or indirect ownership of more than 50 per cent. of the equity share capital or voting capital or similar right of ownership of that person or (b) the power to direct or cause the direction of the general management and policies of that person, whether directly or indirectly and whether through the ownership of voting capital, by contract or otherwise and the term “Controlled” shall be construed accordingly
“Core Bank”	one of the two major operational units of the Group, comprised of the Group’s Irish retail assets and liabilities under the ‘permanent tsb’ brand and the Group’s debt management platform, the AMU
“CRD IV”	the Capital Requirements Directive and the Capital Requirements Regulation
“CREST”	the system of paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities Regulations
“CREST Manual”	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since that date)
“CREST member”	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
“CREST participant”	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations)
“CREST personal member”	a CREST member admitted to CREST as a CREST personal member
“CREST Proxy Instruction”	the appropriate CREST message for a Shareholder holding Ordinary Shares in CREST to appoint a proxy or proxies utilising the relevant

	procedures described in the CREST Manual
“CREST Regulations”	the Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I.68 of 1996)
“CREST Shareholder(s)”	Shareholders holding Ordinary Shares in uncertificated form in CREST
“Deferred Rounding Issue”	the proposed allotment by capitalisation issue from the Company’s reserves of Ordinary Shares of €0.001 to such Shareholders who would otherwise be left with a residual holding of less than 289 Ordinary Shares of €0.001 each after the Deferred Share Consolidation, as described in this Circular
“Deferred Share Consolidation”	the consolidation and redesignation of Ordinary Shares of €0.001 each, arising on the Subdivision, into Deferred Shares of €0.289 each as proposed by Resolution 8
“Deferred Shares”	the deferred shares of €0.289 each in the capital of the Company
“Department of Finance”	the Department of Finance of Ireland
“Directors’ Report on Remuneration”	the Director’s Report on Remuneration as set out pages 58 to 61 of the 2014 Annual Financial Report
“ECB”	the European Central Bank
“Enterprise Securities Market” or “ESM”	the Enterprise Securities Market of the Irish Stock Exchange
“EU”	the European Union
“EU Restructuring Plan”	the restructuring plan submitted by the Irish Government to the European Commission, which sets out the business plan, business structure and strategy of the Group in the period to 31 December 2018
“Euroclear”	Euroclear UK & Ireland Limited (formerly named CRESTCo Limited), the operator of CREST
“European Commission”	the Commission of the European Union (provided for under the provision of Title III of the Treaty on European Union), which operates as the executive body of the European Union
“European Systemic Risk Board”	The European Systemic Risk Board as established by the European Commission
“excluded territories” or “excluded territory”	Australia, Canada, Japan, Switzerland, South Africa, the United States of America and any other jurisdiction which in the view of the Company it is necessary to exclude from the Open Offer on account of the laws or regulatory requirements of that territory
“Existing Issued Share Capital”	the 36,525,797,323 Ordinary Shares in issue as at the Last Practicable Date
“Existing Ordinary Shares”	the Ordinary Shares in issue as at the Last Practicable Date
“First Appointed Time”	means 6.00 p.m. on Friday 10 April 2015 or such other date and time as the Directors may in their discretion determine

“Form of Proxy”	the form of proxy for use by Shareholders for the purpose of the AGM
“Government” or “Irish Government”	the government of Ireland
“Group”	the Company and its subsidiaries, and any other subsidiary undertaking of the Group and each a “Group Company”
“High Court”	the High Court of Ireland
“Ireland” or the “State”	the island of Ireland excluding Northern Ireland, and the word “Irish” shall be construed accordingly
“Irish Companies Acts”	the Companies Acts 1963 to 2013 of Ireland
“Irish Stock Exchange” or “ISE”	The Irish Stock Exchange p.l.c., a company incorporated and registered in Ireland (registered number. 233947) and whose registered office is at 28 Anglesea Street, Dublin 2, Ireland
“Issue”	the issue of the New Ordinary Shares pursuant to the Capital Raise and Open Offer
“Last Practicable Date”	the last practicable date prior to the publication of this Circular, being 10 March 2015 (unless otherwise stated)
“Memorandum and Articles”	the Memorandum of Association and the Articles of Association on the date of this Circular
“Memorandum of Association”	the memorandum of association of the Company on the date of this Circular
“Minister for Finance”	the Minister for Finance of Ireland
“New Articles”	the articles of association of the Company which would be adopted following approval of Resolution 8
“New Memorandum and Articles”	the memorandum and articles of association of the Company which would be amended and adopted following approval of Resolutions 5 and 8
“New Ordinary Shares”	the Ordinary Shares of €0.50 each which the Company would issue pursuant to the Capital Package (if implemented), including where the context requires Ordinary Shares which could be issued on the conversion of the Additional Tier 1 Capital Instruments, and Ordinary Shares which the Company would issue pursuant to the Placing and/or Open Offer
“Non-Core Business”	either of the two operational units of the Group, comprising Non-Core UK and Non-Core Ireland
“Non-Core Ireland”	a subset of the Non-Core Business of the Group, comprising of a commercial real estate portfolio (including both performing and non-performing components)
“Non-Core UK”	a subset of the Non-Core Business comprising of (i) CHL, a UK residential mortgage portfolio primarily made up of buy-to-let mortgages (predominantly tracker), (ii) a legacy portfolio of residential mortgages held by an Isle of Man based subsidiary; and (iii) a deposit-

	taking business in the Isle of Man operated through the Group's subsidiary, PBI)
“Non-CREST Shareholder”	Shareholders holding Ordinary Shares in certificated form
“NPLs”	non-performing loans
“NTMA”	the National Treasury Management Agency as established by the National Treasury Management Act 1990
“Open Offer”	an offer to Qualifying Shareholders to subscribe for New Ordinary Shares at an issue price which is the same price at which New Ordinary Shares issued under the Capital Raise are issued
“Open Offer Record Date”	the date on which the entitlement of Qualifying Shareholders to subscribe for New Ordinary Shares as part of the Open Offer will be determined by reference to the register of members of the Company
“Ordinary Rounding Issue”	the proposed allotment by capitalisation issue from the Company's reserves of Ordinary Shares of €0.05 to such Shareholders who would otherwise be left with a residual holding of less than 100 Ordinary Shares of €0.05 each after the Ordinary Share Consolidation, as described in this Circular
“Ordinary Share Consolidation”	the proposed consolidation of Ordinary Shares of €0.001 each, arising on the Subdivision, into Ordinary Shares of €0.50 each in accordance with Resolution 8
“Ordinary Shares”	the ordinary shares of €0.031 each in the capital of the Company or, as the context requires, ordinary shares of €0.001 each in the capital of the Company or, as the context requires, ordinary shares of €0.50 each in the capital of the Company where Ordinary Shares in issue, or to be issued, post the Consolidation Effective Date are referred to this means Ordinary Share of nominal value €0.50 each
“Overseas Shareholders”	Shareholders who are resident in, or citizens of, or who have registered addresses in territories other than Ireland or the United Kingdom
“participant ID”	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
“PBI” or “Permanent Bank International”	Permanent Bank International Limited, a principal subsidiary of the Company, incorporated in the Isle of Man
“Preference Shares”	the non-cumulative preference shares of €1.00 each, the non-cumulative preference shares of STG£1.00 each and the non-cumulative preference shares of US\$1.00 each in the capital of the Company
“Qualifying Shareholders”	Shareholders who qualify for entitlement to participate in the Open Offer being Shareholders, other than the State and certain Overseas Shareholders on the Open Offer Record Date (which is a date to be determined)

“Registrar”	Capita Registrars (Ireland) Limited, trading as Capita Asset Services Shareholder Solutions (Ireland), or such other registrar as the Company may appoint from time to time
“Regulatory Information Service” or “RIS”	one of the regulatory information services approved for use by the Irish Stock Exchange to receive, process and disseminate regulated information from listed companies
“Resolutions”	Resolutions 1 to 9 (inclusive) to be considered and voted on at the Annual General Meeting
“Risk Weighted Assets” or “RWA”	assets which, for the purposes of CRD IV, are weighted according to credit risk. Some assets, such as debentures, are assigned a higher risk than others, such as cash
“RWA Amount”	as at any date, the aggregate amount of all Risk Weighted Assets of the relevant company calculated pursuant to the Capital Requirements Regulation and expressed in euro
“Second Appointed Time”	means 6.00 p.m. on Friday 17 April 2015 or such other date and time as the Directors may in their discretion determine
“Shareholder”	a holder of Ordinary Shares in the Company
“Share Premium Reduction” or “Company Share Premium Reduction”	the reduction of the share capital of the Company by means of a Court approved share premium reduction pursuant to sections 72 and 74 of the Companies Act 1963 or, from their commencement sections 84 and 85 of the Companies Act 2014, as proposed by Resolution 7
“Share Reorganisation”	the reorganisation of the Company’s share capital in the manner proposed in section 5 of the Chairman’s Letter and effected by Resolution 8
“Single Supervisory Mechanism” or “SSM”	single supervisory mechanism which took effect on 4 November 2014 in connection with conferral on the ECB of functions in relation to the supervision of certain credit institutions within member states of the EU
“SSM CA” or “Comprehensive Assessment”	the comprehensive assessment conducted by the ECB prior to its assumption of full responsibility for the supervision of credit institutions under the SSM in November 2014
“Subdivision”	the subdivision of the Ordinary Shares as described in section 5 of the Chairman’s Letter and effected by Resolution 8
“subsidiary”	shall be construed in accordance with the Irish Companies Acts
“subsidiary undertaking”	shall have the meaning ascribed thereto by the European Communities (Companies: Group Accounts) Regulations 1992
“Supervisory Authority”	means the European Central Bank and any successor or replacement thereto or such other authority having primary responsibility for the prudential oversight and supervision of PTSB and/or the Group for the purposes of CRD IV
“Tier 1 Capital”	the sum of Common Equity Tier 1 Capital and additional tier 1 capital calculated in accordance with the Capital Requirements Regulation

“Tier 2 Capital”	any or all items constituting at the relevant time tier 2 capital calculated in accordance with the Capital Requirements Regulation
“Uncertificated Securities Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“uncertificated” or in “uncertificated form”	the Ordinary Shares recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of an instruction issued in accordance with the rules of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia

Any references to any provision of any legislation or regulation shall include any amendment, modification, re-enactment or extension thereof for the time being.

APPENDIX
NOTICE OF AN ANNUAL GENERAL MEETING OF
PERMANENT TSB GROUP HOLDINGS p.l.c. (the “Company”)

(Incorporated and registered in Ireland under the Irish Companies Acts under registered number 474438)

NOTICE is hereby given that an Annual General Meeting of the Company will be held at The Ballsbridge Hotel, Pembroke Road, Ballsbridge, Dublin 4 on 8 April 2015 at 11.30 a.m. for the following purposes:

Ordinary Business:

To consider and, if thought fit, to pass the following resolutions as **ordinary resolutions**:

1. To receive and consider the Annual Financial Statements for the year ended 31 December 2014, together with the reports of the Directors and Auditors thereon.
2. To receive and consider the Directors’ Report on Remuneration for the year ended 31 December 2014.
3. To authorise the Directors to determine the remuneration of the Company’s auditors.
4. By separate resolutions, to re-appoint the following Directors who retire in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:
 - (a) Alan Cook (Resolution 4(a));
 - (b) Jeremy Masding (Resolution 4(b));
 - (c) Glen Lucken (Resolution 4(c));
 - (d) Dominic Dodd (Resolution 4(d));
 - (e) Emer Daly (Resolution 4(e));
 - (f) Ken Slattery (Resolution 4(f));
 - (g) Julie O’Neill (Resolution 4(g));
 - (h) Richard Pike (Resolution 4(h)); and
 - (i) David Stewart (Resolution 4(i)).

Special Business:

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

5. “That:

- (a) the authorised capital of the Company be and is hereby reduced from €22,828,000,000 (divided into 70,400,000,000 Ordinary Shares of €0.031 each, 300,000,000 Non-Cumulative Preference Shares of €1 each, and 70,400,000,000 Deferred Shares of €0.289 each), STG€100,000,000 (divided into 100,000,000 Non-Cumulative Preference Shares of STG€1 each) and US\$200,000,000 (divided into 200,000,000 Non-Cumulative Preference Shares of US\$1 each) to €22,528,000,000 (divided into 70,400,000,000 Ordinary Shares of €0.031 each and 70,400,000,000 Deferred Shares of €0.289 each), by the cancellation of 300,000,000 authorised but unissued Non-Cumulative Preference Shares of €1 each, 100,000,000 authorised but unissued Non-Cumulative Preference Shares of STG€1 each and 200,000,000 authorised but unissued Non-Cumulative Preference Shares of US\$1 each;
- (b) the authorised capital of the Company be and is hereby increased from €22,528,000,000 divided into 70,400,000,000 Ordinary Shares of €0.031 each and 70,400,000,000 Deferred Shares of €0.289 each to €25,150,600,000 divided into 155,000,000,000 Ordinary Shares of €0.031 each and €70,400,000,000 Deferred Shares of €0.289 each by the creation of 84,600,000,000 Ordinary Shares of €0.031 each; and
- (c) the Directors be and they are hereby generally and unconditionally authorised pursuant to section 20 of the Companies (Amendment) Act 1983 (and, from its commencement, section 1021 of the Companies Act 2014) to exercise all the powers of the Company to allot relevant securities within the meaning of section 20 of the Companies (Amendment) Act 1983 (and, from its commencement, section 1021 of the Companies Act 2014) in connection with the Capital Raise, the Open Offer, the issuance of any AT1 Debt (as each of those terms is defined in the Circular of which this notice forms part) and, for the avoidance of doubt, the matters set out in Resolution 8 up to an aggregate nominal value of €527,000,000 and such power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this ordinary resolution or on the date which is 15 calendar months after the date of passing of this ordinary resolution, whichever is the earlier, provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.”

To consider, and if thought fit, to pass the following individual resolutions as **special resolutions**:

6. “That, subject to and conditional upon Resolution 5 being duly passed, pursuant to section 23 and section 24(1) of the Companies (Amendment) Act, 1983 (and, from their commencement, sections 1022 and 1023(3) of the Companies Act 2014) the Directors be and they are hereby empowered, in connection with the Capital Raise, the Open Offer and the issuance of any AT1 Debt (as each of those terms is defined in the Circular of which this notice forms part), to allot equity securities (within the meaning of section 23 of that Act) (or, from its commencement, section 1023(1) of the Companies Act 2014) for cash as if the said section 23(1) (and, from its commencement, section 1022 of the Companies Act 2014) did not apply to any such allotment, provided the aggregate nominal value of any shares which may be allotted under this authority may not exceed €527,000,000. The authority hereby granted shall expire at the conclusion of the next annual general meeting of the Company after the passing of this special resolution or on the date which is 15 calendar months after the passing of this special resolution, whichever is the earlier, unless previously varied, revoked or renewed; provided that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.”

7. “That, subject to and with the confirmation of the High Court in accordance with sections 72 and 74 of the Companies Act 1963 (or from their commencement, sections 84 and 85 of the Companies Act 2014), the share capital of the Company be reduced in the following manner:-

- (a) subject to (b) below, the entire of the amount standing to the credit of the share premium account of the Company immediately preceding the passing of this resolution or such lesser amount as the High Court may determine, be cancelled and extinguished such that the reserve resulting from such cancellation be treated as profits available for distribution as defined by section 45 of the Companies (Amendment) Act 1983; and
- (b) the Directors of the Company (or any duly authorised committee thereof) be and they are hereby authorised to determine, on behalf of the Company, to proceed to seek the confirmation of the High Court to a reduction of the share premium account for such lesser amount or number as the Directors of the Company (or any duly authorised committee thereof) may approve in their absolute discretion, or to determine not to proceed to seek confirmation of the High Court at all in pursuance of paragraph (a) above.”

8. “That, subject to and conditional upon the passing of Resolutions 5 and 6 and with effect from the First Appointed Time (as that term is defined in the Circular to which this notice forms part):

- (a) the articles of association produced to the meeting (a copy of which regulations are marked “AA080415” for identification) be adopted as the new articles of association of the Company in substitution for and to the exclusion of the existing articles of association of the Company; and
- (b) the issued, and authorised but unissued, share capital of the Company be altered by:
 - (i) subdivision of each issued and unissued Ordinary Share of €0.031 into 31 Ordinary Shares of €0.001 each; and thereafter
 - (ii) the consolidation of 5 of every 31 such Ordinary Shares of €0.001 (created under paragraph (b)(i) above) into one Ordinary Share of €0.005; and thereafter
 - (iii) the consolidation of every 289 Ordinary Shares of €0.001 each then remaining and the redesignation into one Deferred Share of €0.289 having the rights and being subject to the restrictions as are set out in the articles of association as adopted pursuant to paragraph (a) of this Resolution 8; and thereafter
 - (iv) the consolidation of every 100 Ordinary Shares of €0.005 each then remaining into one Ordinary Share of €0.50,

and pursuant to Article 123 of the new articles of association proposed for adoption pursuant to this Resolution, the Directors be and they are hereby authorised to apply such amount as the Directors in their discretion may determine of the sums standing to the credit of the Company’s share premium account and/or capital redemption reserve and/or capital conversion reserve for the purposes of allotting to:

- (1) members of the Company Ordinary Shares of €0.005, credited as fully paid, in connection with the proposed Ordinary Rounding Issue on this Ordinary Share Consolidation (as each term is defined in the Circular of which this notice forms part); and
- (2) members of the Company Ordinary Shares of €0.001, credited as fully paid, in connection with the proposed Deferred Rounding Issue on this Deferred Share Consolidation (as each term is defined in the Circular of which this notice forms part)

and that the Directors be and they are hereby authorised to allot such shares, credited as fully paid, to such of the members of the Company and in such proportions as they think fit, and to take all

such other steps as they may deem necessary or desirable to implement such capitalisation and allotments and provided further that, where such subdivision and consolidations would otherwise result in a fraction of an authorised but unissued Ordinary Share of €0.50 or an authorised but unissued Deferred Share of €0.289, the number of shares that would otherwise constitute such fractions shall be cancelled pursuant to section 68(1)(e) of the Companies Act 1963.”

9. “Subject to and conditional upon the passing of Resolution 8 and with effect from the Second Appointed Time (as that term is defined in the Circular to which this notice is formed apart) and conditional upon the Company having by that time obtained all class consents required under the Irish Companies Acts and the articles of association of the Company (and in that respect, and for the avoidance of doubt, having had regard to all those entitled to be registered as a holder of any shares as a consequence of the implementation of the matters set out in Resolution 8(b)), Article 2e(C) of the articles of association of the Company be deleted in its entirety and be replaced with the following;

“(C) Capital

On a winding up of, or other return of paid up share capital (other than a redemption of shares of any class in the capital of the Company), by the Company, the holders of the Deferred Shares shall, prior and in preference to any repayment of capital or distribution of any of the assets of the Company to the holders of Ordinary Shares, with equal priority and pro rata solely amongst the holders of the Deferred Shares in proportion to the number of Deferred Shares held by them at that time, be entitled to receive by way of return of capital an aggregate amount of €1,500,000 and the holders of the Deferred Shares shall have no further right to participate in any such winding up (whether by way of distribution of assets or participation in any surplus or otherwise) or to return of capital beyond such amount”.”

By order of the Board



Ciarán Long
Company Secretary

Registered Office of the Company: 56 – 59 St Stephen’s Green, Dublin 2

Dated: 13 March 2015

AGM Notice: Notes

1. Only those members registered in the register of members of the Company at 6.00 p.m. on 6 April 2015 or if the Annual General Meeting (“AGM”) is adjourned, at 6.00 p.m. on the day that falls 48 hours before the time appointed for the adjourned meeting shall be entitled to attend, speak, ask questions and in respect of the number of shares registered in their name at that time, vote at the AGM, or if relevant, any adjournment thereof. Changes in the register after that time and date will be disregarded in determining the right of any person to attend and/or vote at the meeting.
2. A member entitled to attend, speak, ask questions and vote at a general meeting of the Company is entitled to appoint a proxy to attend, speak, ask questions and vote on his or her behalf at the AGM and may appoint more than one proxy to attend on the same occasion in respect of shares held in different securities accounts. A member acting as an intermediary on behalf of one or more clients may grant a proxy to each of its clients or their nominees and such intermediary may cast votes attaching to some of the shares differently from other shares held by it. The appointment of a proxy will not preclude a member from attending, speaking, asking questions and voting at the meeting should the member subsequently wish to do so. A proxy need not be a member of the Company. If you wish to appoint more than one proxy please contact the Registrars of the Company, Capita Asset Services on +353(1)5530050.
3. A Form of Proxy for use by Shareholders is enclosed with your AGM Notice. To be effective, the Form of Proxy duly completed and executed, together with any original power of attorney or other authority under which it is executed, or a copy of such authority certified notarially or by a solicitor practising in Ireland, must be deposited at the registered office of the Company at 56-59 St Stephen’s Green, Dublin 2, Ireland or, at the member’s option, with the Registrars of the Company, by post to Capita Asset Services Shareholder Solutions (Ireland), PO Box 7117, Dublin 2, Ireland or by hand to Capita Asset Services Shareholder Solutions (Ireland), 2 Grand Canal Square, Dublin 2, Ireland, so as to be received no later than 48 hours before the time appointed for the AGM or adjourned AGM or (in the case of a poll taken otherwise than at or on the same day as the AGM or adjourned AGM) at least 48 hours before the taking of the poll at which it is to be used. Any alteration to the Form of Proxy must be initialled by the person who signs it.
4. Alternatively, subject to the articles of association of the Company and provided it is received not less than 48 hours before the time appointed for the holding of the AGM or adjourned AGM or (in the case of a poll taken otherwise than at or on the same day as the AGM or adjourned AGM) at least 48 hours before the taking of the poll at which it is to be used, the appointment of a proxy may:
 - (a) be submitted by fax to +353 (1) 2240700, provided it is received in legible form; or
 - (b) be submitted electronically, subject to the terms and conditions of electronic voting, via the internet by accessing the AGM page on the Company’s website, www.permanenttsbgroup.ie or via the shareholder portal on the Capita Asset Services website www.capitashareportal.com, entering the company name, permanent TSB Group Holdings plc. You will need to register for Share Portal by clicking on “registration section” (if you have not registered previously) and following the instructions thereon; or
 - (c) be submitted through CREST in the case of CREST members, CREST sponsored members or CREST members who have appointed voting service providers. Transmission of CREST Proxy instructions must be done and authenticated in accordance with Euroclear specifications as set out in the CREST Manual and received by the Registrar under CREST Participant ID 7RA08.
5. In the case of a corporation, the Form of Proxy must be executed under its common seal, signed on its behalf by a duly authorised officer or attorney, or submitted electronically in accordance with note 4.
6. As a member, you have several ways of exercising your vote; (a) by attending the AGM in person, (b) by appointing a proxy to vote on your behalf or (c) by appointing a proxy via the CREST system if you hold your shares in CREST. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other registered holders and for

this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

7. On a vote on a show of hands, every member present in person and every proxy has one vote (but no individual shall have more than one vote). On a poll every member shall have one vote for every share carrying voting rights of which he is the holder. Ordinary Resolutions require to be passed by a simple majority of members voting in person or by proxy and Special Resolutions are required to be passed by a majority of not less than 75% of votes cast by those who vote either in person or by proxy.
8. Subject to the Companies Acts and any provision of the Company's articles of association, where a resolution is proposed as a special resolution, no amendment to the resolution (other than an amendment to correct a patent error) may be considered at the meeting. Subject to the Companies Acts and any provision of the Company's articles of association, where a resolution is proposed as an ordinary resolution, no amendment to the resolution (other than an amendment to correct a patent error) may be considered or voted upon unless either at least forty-eight hours prior to the time appointed for holding the meeting or adjourned meeting at which the ordinary resolution is to be proposed, notice in writing of the terms of the amendment and intention to move same has been lodged with the Company Secretary (at the Company's Registered Office) or the Chairman in his absolute discretion decides that it may be considered or voted upon.
9. On any other business which may properly come before the AGM, or any adjournment thereof, and whether procedural or substantive in nature (including without limitation any motion to amend a resolution or adjourn the meeting) not specified in this Notice of AGM, the proxy will act at his/her discretion.
10. The Ballsbridge Hotel (formerly Jurys Hotel) is located on the south side of Dublin city in Ballsbridge, Dublin 4. Car parking is available at the venue and public transport from Dublin city centre is available through Dublin Bus (Routes 4, 7, 8, 18, 27x, 120) and DART (to Lansdowne Road Station).

