

A shared passion for growth



Welcome to the first edition of our Business Banking quarterly sectoral outlook. At Ulster Bank, we are dedicated to supporting local Enterprise. We hope to give you a flavour of some of what the Business Banking teams have been working on recently and share with you our extensive appetite for lending.

As head of the Sectors and Specialist Business at Ulster Bank, I have tasked my team with gathering industry feedback to ensure we offer customers what they want, when they need it. Through this feedback we have been developing knowledge on the challenges faced by businesses in key sectors and how we can help. Within this quarterly newsletter I aim to provide an overview of our findings, how we have acted on feedback and used our engagements to shape our bank to meet the needs of our Customers.

There have been clear signs of growth in many different areas of the economy recently which is providing us with an exciting opportunity to support businesses with their expansion plans as the market strengthens.

We are not just here for the good times, and recognise that each of the industries will have unique challenges that place strain on their business model. Our managers



close engagement with industry operators continues to deepen their understanding and skills in key sectors; ensuring they have the expertise to tailor a financial package to suit the specific needs of your business. Our dedicated sectors team concentrates on 7 primary industries (see the ambassadors for each to the right) which we intend to add to going forward. These markets provide significant employment, deliver exciting growth opportunities, and are major contributors to Irish Gross Value Added (GVA).

I would like to take this opportunity, in this edition, to share with you our new Food & Drink Manufacturing offering which we were delighted to introduce at the start of the year. We welcome your feedback on the newsletter and your experiences with Ulster Bank, which we will use to better hone our support for your business going forward.

Kind Regards,

Nigel Walsh, Head of Sectors & Specialist Business

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Meet the Ambassadors



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Economic Outlook

from Simon Barry, Ulster Bank Chief Economist

The agri-food industry is one of Ireland's most important indigenous sectors. Agri-food activity has a high level of direct expenditure in the domestic economy in the form of payrolls, raw materials and other locally provided services. As a result, it has a high employment multiplier supporting a range of sectors across the economy. The industry continues to supply the majority of produce to Ireland's domestic grocery and food service sector and has also developed a reputation as one of the world's top suppliers of dairy, meat, seafood and other foodstuffs. As a result, it managed to record its fifth consecutive year of export growth in 2014 with an estimated value of €10.5bn representing a new record high. Exports in the agri-food sector are now 40% above their 2009 cycle trough compared with total goods exports which have advanced by a more modest 5% over the same period. (Source Bord Bia - Jan 2015)



Overall, while downside risks facing the Irish economy haven't disappeared (e.g. Greece), external growth trends and prospects in many key trading partners look broadly favourable from an Irish perspective. Importantly, there are now welcome signs of a turn in the euro zone – an area that accounts for approximately one third of Irish exports. Recent exchange rate developments are also a welcome additional tailwind. Over the past year the euro has depreciated by almost 20% and 10% against the dollar and the pound respectively. And furthermore, economic and monetary policy divergence between the European Central Bank and its UK and US counterparts argues for continued weakness in the single currency in coming months and quarters; a dynamic which should further boost the competitiveness of Irish exports including from the agri-food sector.

Turning to sector specific developments, the removal of the milk quotas this year should provide an opportunity for expansion and innovation in the dairy industry. The re-opening of the US market to Irish beef after a 17-year EU-wide ban is another positive development. A growing demand from US consumers for grass-fed beef rather than their own conventional grain feed system presents a window of opportunity for the Irish meat industry. Similarly, the Chinese government has also decided to lift its ban on Irish beef imports for the first time in 15 years. Ireland has built a strong trading relationship with China over the last decade and this announcement should help to further boost exports to a country where almost 1 in 5 of the world's population lives.



Ambassador Profile

Ailish Byrne

Food & Drink Manufacturing Ambassador

Ailish is the Senior Agri. Food & Drink Manager for Ulster Bank in the Republic of Ireland – she supports the Ulster Bank business development teams with lending to the primary agriculture and Food & Drink sectors. She has extensive experience of supporting the wide variety of businesses within the Agri. and Food & Drink manufacturing sector. Ailish is also a Business Women CAN ambassador for the Republic of Ireland. She joined Ulster Bank in 2003, having completed a PhD in the area of farm financial management through a Walsh Fellowship from Teagasc and University College Dublin (UCD).

Ailish worked with the Ulster Bank retail commercial team in Dublin for 5 years before being appointed to lead the primary agriculture and Food & Drink Proposition development for Ulster Bank. Ailish's experience and technical knowledge make her a perfect fit to be our ambassador for the Food & Drink sector.

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Trade Mission to China

In an ever-changing market place where understanding the current cultural needs, tastes and demands on a global scale is essential to succeed, Irish businesses have to be slick, lean and innovative to meet these requirements. Ulster Bank is keeping pace with this fast moving market by supporting our Food & Drink business clients to do business at home and abroad.

In October, Nigel Walsh, Head of Sectors and Specialist Businesses joined a number of leading food operators on a trade mission to China to find out a bit more about the opportunities for Irish food firms doing business in the world's second largest economy. It was primarily a dairy industry focused itinerary, but Nigel has been able to bring back learning's, experiences and contacts that will be of benefit to clients in many different sectors.



China represents a major prospect for the Food & Drink sector here – not least because of the sheer size of the market with over 1.3bn people. Diets in China and other developing economies are also becoming increasingly Westernised, which means, amongst other things, a growing demand for protein-based foodstuffs from sources such as dairy, beef, poultry and seafood. Foods like these from the island of Ireland are recognised internationally for being easily traceable to source, safe, and sustainably produced. Belief based consumers are becoming big business globally and many Irish Food & Drink businesses are in prime position to benefit from this. Ireland has a real advantage over many other countries as an exporter of food, with its grass-fed animals, high quality food chain, its well-developed food sector ecosystem, and the commitment of our processors to innovation.

Our Food & Drink businesses already export to over 160 countries, according to Teagasc (www.teagasc.ie/agrifood), from baby food to the Middle East, to specialist teas for Japan and Africa. Food & Drink exports from Ireland were worth over €10bn in 2014 (<http://www.bordbia.ie/industry/manufacturers/insight/publications/MarketReviews/Documents/Export-Performance-and-Prospects-2015.pdf>). It is an industry that is performing well and has huge potential for growth.

Key sectoral sponsorships



Taste of Cavan

Ulster Bank are sponsoring Taste of Cavan on the 7th & 8th August. This event highlights the importance of this sector to the region, generates an awareness and pride of the many small, medium and corporate Food & Drink companies operating in

this region while also offering a great family day out.

Taste of Meath

We also sponsored Taste of Meath. This was another great opportunity to celebrate local producers and get involved with the community in Meath.



Both of these events are a super fit for Ulster Bank as it affords the opportunity to support the excellent efforts of local County Councils while highlighting the full and market leading services Ulster Bank provide both to this sector and to the greater community.

Recent Events



Cork Summer Show

Ulster Bank were one of the lead Sponsors for the Show on 20-21st June 2015. This is one of Ireland's longest running and most loved agricultural shows. This gave us the opportunity to help celebrate the importance of the local agri-food industry.

Ahead for Business Lite Lunch

We have been around the country of late promoting our new Food & Drink offering. If you would be interested in attending an event please get in touch with your local business centre to find out when we are next in your area.

Food & Drink Manufacturers

This is such an important sector for our economy that we have focused heavily on it. The growth potential for businesses in this area is huge due to the global demand for Food & Drink. At Ulster Bank, we want to support businesses to achieve their potential in this marketplace. With global population increasing, the growing affluence of many developing countries and the increased focus on food providence, Irish Food & Drink processors are in prime position to benefit from this rising demand globally for Food & Drink.

What We Have to Offer

In recognition of these opportunities within this market, we have €1.5bn available to lend and have launched a comprehensive suite of tailored product solutions to meet the needs of Ireland's Food & Drink sector, with the support of a dedicated team of Business Development Managers.

The products and lending opportunities on offer are aimed at supporting the wide variety of businesses within the sector, from start-ups to companies seeking to introduce a new product range or grow internationally. See diagram below.

What our Customers say

"The quality of our relationship with our Bankers is hugely important. We need a Bank that remains close, takes time to understand our unique business and our sector and supports us to grow to meet our customers and suppliers demands in an ever changing market place."

Tom Kearney, Managing Director, Spice o' Life

"The continual support of Ulster Bank enables our fresh fruit business to enhance growing techniques in line with modern day standards thus ensuring quality produce with increased yield and utmost efficiency while protecting the environment. "It is essential to have a bank that is committed to developing meaningful and well structured products to meet the demands of the business. Sean O'Hanrahan and his team at Ulster Bank understand the challenges encountered in horticulture today. Their insight and knowledge facilitates positive negotiation and innovative development."

Pat Clarke, Director, Clarkes Fresh Fruit.

Food & Drink Manufacturers Financial Options

Flexible Loan Repayments

Taking account of seasonality and better align your revenue streams with your repayment schedules. Security is/may be required. Loans are for business purposes only and are subject to their terms and conditions, security and lending criteria. They are subject to availability. Each case is taken on an individual basis. Applicants must be over 18 years of age.

Funding Owner Occupied Premises

Up to 100% finance for the purchase, expansion or renovation of premises used in the operation of the business by an owner occupier or to refinance existing debt. Security is/may be required. Loans are for business purposes only and are subject to their terms and conditions, security and lending criteria. They are subject to availability. Each case is taken on an individual basis. Applicants must be over 18 years of age.

WARNING YOUR HOME IS AT RISK IF YOU DO NOT KEEP UP PAYMENTS ON A MORTGAGE OR ANY OTHER LOAN SECURED ON IT.

Consumer Insight Loan

Finance available to support investment in Research & Development, repackaging, re-labelling, new product lines etc. Security is/may be required. Loans are for business purposes only and are subject to their terms and conditions, security and lending criteria. They are subject to availability. Each case is taken on an individual basis. Applicants must be over 18 years of age.

Invoice Finance

Invoice Finance turns debt into cash immediately, unlocking the value of your trade debtors. Available funding increases in line with your sales performance. Please note Invoice Finance is a non regulated product.

Start-Up Package for Food & Drink Businesses

▶ 2 years transaction fee free Banking

To be eligible for our Startup offer you will be starting or have started a business in the last 36 months with a turnover of under €1.2m. You will also need to open a business current account and apply for both a Business Debit Card and Anytime Banking service. Transaction fee-free banking means that the charges for the day to day running of your account (known in The Guide to Business Current Account Fees leaflet as your "Transaction Fees") will not apply during the free banking period. This includes the quarterly Account Maintenance Fee. At the end of the free banking period, you will automatically move to the Standard Tariff detailed on page 5. "Additional charges" and "Unarranged Borrowing" charges detailed are not part of the fee-free offer.

Exporters Package for Businesses

- ▶ Online Foreign Exchange Platform
- ▶ Online Trade Finance capabilities

Important Information

Contact one of our team or visit our website to find out more and read the applicable terms and conditions: www.ulsterbank.ie/foodanddrink