

Earning our customers' trust

Sustainability at Ulster Bank

Help for what matters

 **Ulster Bank**



Earning our customers' trust

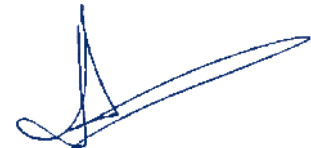


"Our ambition is to become the number one bank for customer service, trust, and advocacy by 2020."

Jim Brown, Chief Executive

"Over the past year we've made good progress in embedding our strategy to be the number one bank for customer service, trust, and advocacy by 2020. Improving our service to customers and putting them back at the heart of our business is one of the most powerful ways to earn back their trust, and is Ulster Bank's number one priority for 2015 and beyond.

I'm pleased with the progress we're making so far, working together as one team to make banking easier and fairer for all our customers. Of course, we're not complacent about the challenges that lie ahead. Our sector needs to work harder than ever to earn trust. But Ulster Bank has emerged into a more positive growth period for our business, with many underlying strengths. This has given welcome reassurance to our people and has sent a positive message to our customers that we are here to serve them for the long-term, and to continue to support our wider communities and economies across the island of Ireland."

A handwritten signature in blue ink, likely belonging to Jim Brown, Chief Executive of Ulster Bank. The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Progress against our Strategy

Our blueprint for success outlines the RBS and Ulster Bank vision, including our priority of Strength and Sustainability, and our four values. These values are how we do business to support our customers and communities.

This short report summarises our progress in 2014 under the headings of our values.

Our Strategy

Our Ambition

No.1

for customer service,
trust and advocacy
by 2020

Our Purpose

Serve customers well

Our Values

Serving
customers

Working
together

Doing the
right thing

Thinking
long term

Our Brands



Our Priorities

Strength
and
sustainability

Customer
experience

Simplifying
the bank

Supporting
growth

Employee
engagement

Our long-term targets

CET1 ratio 13%
RoTE 12%

No. 1 for
service, trust
and advocacy

Cost: income
ratio <50%

Lending market
positions in every
franchise

Employee
engagement
≥ our peers

Serving customers



"I firmly believe that our ambition to be the best bank for customer service, trust and advocacy is one that matters to our people and our customers. Last year more of our customers told us our service had improved. We still have much more to do, but the dedication I see in our people every day gives me great confidence that we can transform how we serve our customers and help them achieve their personal and business goals."

**Richard Donnan, Managing Director,
Retail Banking and Corporate & SME NI**

Here is a summary of the ways we've been improving our service to customers over the past year.

2014 highlights



22,000 new payment arrangements provided for customers in arrears



96,345 customer personal finance reviews

.....

.....



£1.1bn new business lending, **up 46%** on 2013



£590m of new mortgage lending, **up 41%** on 2013

.....

.....



We processed **67m** mobile transactions



>80% of our customers said they were **extremely satisfied** with the service provided at their branch or by phone

Basic Bank Accounts

Our basic bank accounts provide access to banking for customers who may not be eligible for a full service current account, and offer similar services without an overdraft. We opened 12,734 new basic bank accounts in 2014, bringing the overall number of accounts held to 111,259.

We support our customers to avoid unnecessary fees and charges through text alerts and online tips. Where customers find themselves in financial difficulty, our staff are proactive in discussing a range of options that offer breathing space.



Bank on Wheels service covers 53 locations along the west coast of Ireland and 10 rural locations across Northern Ireland.

Branch closures

Closing a branch is always a difficult decision, and one we don't take lightly. To reduce the impact of closing some of our branches, we arranged banking services for our customers through 480 Post Offices, and extended our Bank on Wheels service. Customers can open accounts, lodge or withdraw money and cash cheques, with full security and wheelchair access.

Ulster Bank still retains the largest network of bank branches in Northern Ireland (64) and the third largest in the Republic of Ireland (111), as well as 1,028 free-to-use ATMs countrywide.

Digital developments



55% of transactions were conducted online and by mobile phone

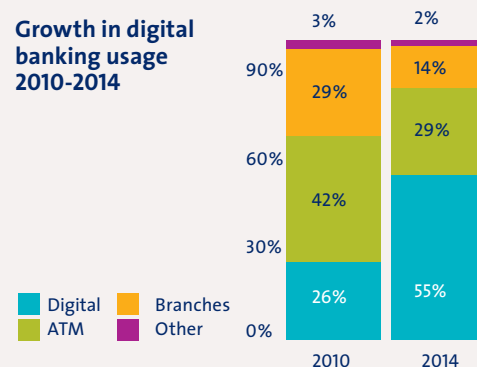


Get Cash enables customers to withdraw emergency cash at an ATM without a debit card



All new personal customers now get **automatic texts** to alert them when their account balance falls to a set level – helping them avoid charges.

Growth in digital banking usage 2010-2014



Case study: Dedicated to improving customer satisfaction



Alison Rose, Chief Executive Commercial and Private Banking, RBS with Aaron Owens, Customer Contact Centre Business Team.

Our Customer Contact Centre employs 500 people and resolves over 12,000 queries per day from customers across the UK and Ireland. While most call centres aim to minimise call handling time, we encourage our customer care team to take the time to listen to our customers and explain solutions clearly to them.

As a result of this approach, call volumes have reduced by 35% in 2014, and more of our customers reported their query was 'resolved first time'. Customer satisfaction scores also increased by 27% last year.

The Centre has achieved employee engagement scores that out-perform the global high performance norm for the financial services sector.

Last year Ulster Bank won a number of awards including Best Customer Contact Team (Business to Consumer) award from The Customer Contact Association (CCA) – an independent global authority on customer contact strategies and operations – and Special Judges Award from the Contact Centre Management Association in Ireland.

Protecting our customers against fraud



£3m

of attempted fraud was successfully intercepted

23

Cyber Crime and Fraud Prevention seminars delivered



Awareness training provided to 50 newly appointed Garda Detectives

Investment in anti card-skimming technologies, improved monitoring processes and free security software for personal banking customers called **Trustee Rapport**.



"We received amazing feedback from members who attended Ulster Bank's fraud masterclass at our Annual Conference. This was a hugely informative session and gave all of us a real insight into the tactics of fraudsters. I commend Ulster Bank for the time they take to educate their customers on this issue."

Deirdre Garvey, Chief Executive, The Wheel



Working Together



"I have made a personal commitment to listen and ensure that we have an ongoing open dialogue that will facilitate our peoples' development. Engaging with our people directly, asking for opinions and acting on this feedback gives us a great opportunity to build a really good Bank for our colleagues and our customers."

Kevin Keegan, Head of Human Resources

- **UB Choice flexible working programme** was launched to promote flexible working across the bank
- **Employee engagement** scores rose from 64% to 71%
- Launched our **Lifematters App**, so our people can access support resources anytime, anywhere
- Online health assessment rolled out across the business
- Held our first **Wellbeing Fortnight**
- Launched a new framework for managing change
- Focused on **direct engagement** with our people, introducing additional two-way communications channels
- Training delivered to **3,886** employees through our **Learning Academy**
- New online **ePerformance** system with a set of common objectives for all focused on our Values.

We employ 5,332 full-time equivalent staff across the island of Ireland. The following are some of the key successes we delivered in 2014 to support our people.

Engagement

Ulster Bank



work shaped around you

UB Choice flexible working programme launched in 2014
Now 800+ people work more flexibly

 **Achieved**
annual savings target

 **A variety of Flexible Working Options available**

Our View employee survey –
listening to you & responding
– 3870 of you gave feedback in 2014

RBS LOV (Living our Values)
awards launched **700 nominations**



Health & Wellbeing

 Online Health Assessment
1300 completed

Ulster Bank



Wellbeing Fortnight
29 Sept - 10 Oct

Recipe contest : Spotlights
Resilience : Mindfulness
Pedometer Challenge

 **Lifematters App**

Health : Money
Relationships
Balance : Work

Central locations -
onsite promotion of health services: 

Blood pressure testing ;
Nutritionist ; Gym membership

Managing Change

New Framework for
Managing Change well 

Change intranet site launched –
resources and HR Helpdesk
for employees

  Listening sessions with
500+ colleagues


 **Two-way communications**
Comments boards / direct feedback
via HR communications channel

 **Pay review carried out in 2014 –**
return to performance driven pay

Developing our People


 **you performance**

New ePerformance system
& Common Objectives introduced

 **People Standards launched –** new behavioural standards for all

Flightpath – career development framework
In the first month;
11,618 hits on the site, **864** accessed the Career Anchors Tool 

New Accreditation Frameworks launched

 **Foundation Certificate**
1700 completed

Digital Learning: 586 registered
for learning text alerts 

1600 colleagues received each of the
6 Learning eZine issues in 2014

 **360 degree feedback** introduced
for all people leaders

Thinking long term



"Ulster Bank has an excellent track record of financing renewable energy projects, stretching back from our early lending to wind energy projects in the late 1990s to our most recent role as lead project financier on the Mayo Renewable Power Biomass Project and our role in helping to fund the Dublin Waste to Energy project in 2014.

These projects are not just good lending but are also good for Ireland, helping to reduce fossil fuel consumption and supporting new jobs in local communities. We're proud to support these projects and aim to grow that support into the future."

Eddie Cullen, Managing Director, Commercial Banking RI

Ulster Bank is committed to supporting the low carbon economy. With a specialist project team in place since 2005, we have considerable expertise in this sector and are supporting the UK and Irish Governments to achieve national renewable energy targets.

In 2014:

Ulster Bank is currently supporting

388^{MW} of renewable wind projects, generating energy to power **c 250,000** homes across the Island of Ireland.



With a number of local and international banks, we funded the **Dublin Waste to Energy project** – a project to generate

60^{MW} electricity from **600,000^t** of waste.



Ulster Bank is committed to reducing the environmental impact of our own operations by 2020, and to helping our business customers and suppliers gain energy efficiencies in their own organisations.

We have committed to a new set of ambitious targets that are focused on reducing the environmental impact of serving our customers, and align with the RBS five-year strategy. Our business travel and paper reduction targets will continue on from our previous targets, with a 2011 baseline. All other targets will have a new baseline of 2014, and will run to 2020.

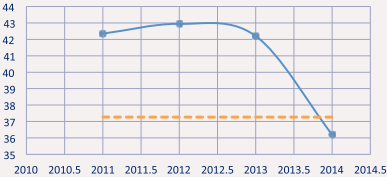
Our 2015-2020 environment targets

We will reduce the environmental impact of serving our customers by 2020.									
Delivery of our internal environment programme will support our aim to be the number one for customer service, trust and advocacy.									
We will reduce the environmental impact of our own operations.						We will engage with others to reduce our impact on the environment.			
20% Carbon Reduction			Zero Waste to Landfill	5% Water Reduction	Engage every colleague	Engage all suppliers			
Energy Reduction	Sustainable Energy		Recycling	Water Reduction	Customers	Operational Suppliers			
Data Centres	RBS Innovation Gateway		Improved Data and Reporting	50% Paper Reduction	Employee Innovation Fund				
Supplier Footprint				Marketing/Statements	Training	Supplier Selection			
RBS Vehicles	Business Travel		Waste Avoidance	Office Paper	Commuting				
					Communication				

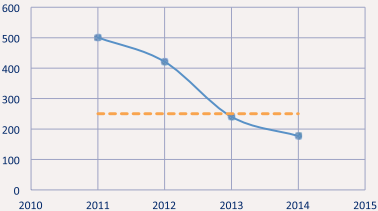
Performance 2012-2014

--- Target set
— Performance against target

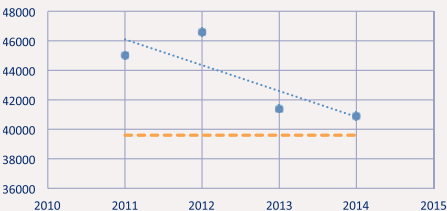
Energy consumption (GWH)



Paper consumption (tonnes)



Water consumption (m3)



Doing the right thing

The key areas we focus on are those where we feel Ulster Bank can make the biggest difference to our communities throughout the island of Ireland. These are:

- Financial education
- Supporting enterprise, employment and the social economy
- Employee giving and volunteering

Financial education

Since 2008, we've been working with schools to bring free financial education to young people through MoneySense for Schools, now used by 65% of schools island-wide. Teachers appreciate the added value our volunteers bring to the classroom – whether delivering half-day Enterprise workshops or shorter classes on budgeting, borrowing and managing debt. The number of lessons our volunteers have delivered increased by more than 300% in the last five years.



"Since our foundation in 1836, Ulster Bank has always had a strong community culture. This is growing even stronger as we see a new, younger generation of people coming to work with us and bank with us, for whom doing the right thing is an important factor in choosing Ulster Bank. As a result, it will remain a core part of both our past and importantly, our future."

Sarah Dempsey, Head of Corporate Affairs and Economics

MoneySense North-South Schools collaboration

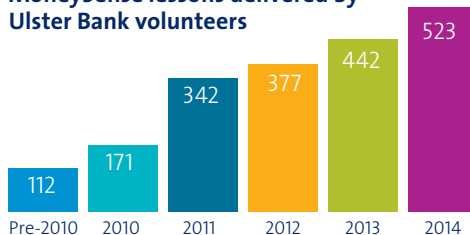
2014 was the second year students from Northern Ireland and Republic of Ireland collaborated through the MoneySense programme. Fifty students from St Mark's Community School Tallaght and Girls Model, Belfast shared classes on budgeting, borrowing and dealing with debt.

John O'Dowd, NI Education Minister and Pat Rabbitte, former Minister for Communications, Energy & Natural Resources joined the session and discussed their own views on managing money and borrowing responsibly.



Jill Smyth, our Head of MoneySense, leads the north-south schools collaboration on financial education at St. Mark's School, Tallaght, Dublin.

MoneySense lessons delivered by Ulster Bank volunteers



Supporting enterprise, employment and the social economy

Supporting the social economy

Charities are increasingly challenged to deliver more services with fewer resources. Many lack the funding to recruit the leadership, marketing and organisational skills they need to run their business. Since 2010 Ulster Bank has partnered with the sector's leading training and governance bodies The Wheel in Ireland, and CO3 in Northern Ireland to provide leadership, networking and training events for more than 400 CEOs across the not-for-profit sector. Sharing our time, skills and resources is a tangible and practical way for us to give back, and benefits our own business too.

Supporting young entrepreneurs

Ulster Bank is one of the largest corporate supporters of the Prince's Trust in Northern Ireland, providing funding and mentoring to help young people overcome disadvantage and develop their entrepreneurial skills.

Since 2009 we have also funded the Young Enterprise NI Quick Start programme, which aims to inspire entrepreneurial skills in young people. Forty Ulster Bank volunteers have helped 4,200 students set up their own companies and sell their products at local community trade fairs.

Our RBS Inspiring Enterprise Fund awarded grants of just under £100,000 to three Northern Ireland youth-led enterprise projects – Oh Yeah Music Centre, Belfast, Fermanagh Enterprise and West Belfast Development Trust.

In the Republic of Ireland, our MoneySense volunteers delivered 485 lessons, including half-day 'You're in Business' workshops based on the popular start-up module in our MoneySense for Schools programme.

Funding local community projects

In the last two years, our Community Impact Fund awarded grants of £500,000/€620,000 to 47 community organisations to support financial education, business start-ups and employability projects throughout the country. A key part of the success of the Fund is the involvement of our people in sharing their skills to support the projects funded.

One of these was Jobcare's programme to help unemployed professionals get back to work. Sixty HR colleagues ran a Career Clinic for over 100 unemployed professionals, running interview skills workshops, presentation and communication training and CV preparation. Corporate Banking colleagues also ran 128 mock interview sessions, providing one-on-one feedback to jobseekers as part of the programme.



Community in numbers – our 2014 impact

Over £750,000 / €931,000 invested in local communities

Financial education

155

additional teachers
registered for **MoneySense**



8,500

students
enjoyed financial education classes



485

lessons delivered
by our volunteers

Supporting enterprise, employment and the social economy

Community Impact Fund
awarded grants of

£250,000 / €310,000

to **25** community
organisations



23

Ulster Bank volunteers delivered

985

Young Enterprise workshops for
students in **21** schools

Employee giving and volunteering

Throughout 2014, people across
Ulster Bank have given time, money
and focus to local communities

£116,000 / €145,400

Community Cash Back

£238,000 / €296,000

Payroll Giving



7,271

Give a Day Volunteer hours

£154,000 / €191,000

One Week in June 2014



Award

UTV Business Eye
Award for Business
Education 2014



RugbyForce

131

rugby clubs received
Rugbyforce kit
worth £100 (€100)



Four

provincial rugby club
awards of £5,000
(€5,000)



One

all-island RugbyForce
club award of €10,000



Employee giving and volunteering

We make it easy for our people to contribute throughout the year to good causes in the communities where we live and work – whether through payroll deductions into our Staff Charity Funds, time off work for fundraising and volunteering, or providing financial support via our Community Cashback scheme.

One Week in June

Each year in June our people organise a range of charity events large and small as part of our bank-wide fundraising campaign in June to raise money for good causes in our communities. In the last two years the campaign raised £584,000/€725,000 for cancer care, homelessness, children's charities and many other great causes.

Volunteering

Give a Day is Ulster Bank's initiative to encourage employee volunteering, including skills-sharing, with local charities – contributing 7,721 hours to our communities in 2014.



Declan Fitzgerald, Ulster Bank Markets, one of the bank's volunteers on the Docklands Early Learning Initiative.

W126 children from five Docklands schools benefited from an innovative financial literacy programme last year, funded by a €30,000 grant from our Community Impact Fund, and delivered by the Docklands Early Learning Initiative.

Children from low-income households typically lag behind the national average on numeracy, literacy and vocabulary. The programme aimed to bridge the gap, helping 8-10 year-olds learn about saving and budgeting through fun activities.

Twenty-two Ulster Bank volunteers worked over a six week period to support classes and help the children prepare their final projects, which were celebrated with parents and teachers at an exhibition in Ulster Bank's Conference Room in Georges Quay.

"Thanks to Ulster Bank for supporting the development of a programme, which one principal described as 'visionary'; and one that has made a real impact on the children in her school." **Dr Josephine Bleach, Director, Docklands Early Learning Initiative**



Our 2015 targets



Employee giving

Raise **£300,000/ €372,263** for our chosen charities through One Week in June



Lending growth

Deliver **£1.5bn** in new loans to businesses.



Improve NPS

Improve net promoter score in our businesses in Northern Ireland and Republic of Ireland.



Our people

Raise employee engagement index to **74%** in 2015

Sustainability Awards

In 2014 Ulster Bank became the first Irish bank to be recognised as a leader in corporate responsibility, achieving both the CORE standard for responsible business from Business in the Community Northern Ireland, and the Business Working Responsibly Mark from BITC in the Republic of Ireland.

Both standards follow a comprehensive assessment process and an independent performance review of all aspects of our responsible business practice and activity.

Living our Values Awards



Donna Dunlop receives her gold award from Les Matheson, Chief Executive Personal and Business Banking, RBS.

2014 marked the first year of the new RBS employee recognition programme – Living Our Values. Thirteen Ulster Bank colleagues were shortlisted for Awards from over 700 entries. Donna Dunlop won the Gold award for Serving Customers, for her work in transforming our Danesfort Customer Contact into an award winning global centre of excellence. Her work and that of her wider team has resulted in:

- An increase in customer satisfaction from mid 60% in August 2013 to 86% in August 2014
- A 35% reduction in calls due to the education of customers on ways to bank.

Sustainability Governance at Ulster Bank

Ulster Bank is governed by a framework of Boards and Committees. The Board is the principal decision-making forum for Ulster Bank and has overall responsibility for leading and controlling the company as well as approving strategy and monitoring performance. The Executive Committee reports to the Chief Executive and is accountable to the Board. The Executive Committee is responsible for managing strategic, financial, capital, risk and operational issues affecting Ulster Bank.

Our Sustainability Committee is led by five Executive Committee representatives from the key business areas, and chaired by our Managing Director Retail Banking. The Committee meets four times per year and sets our sustainability strategy, oversees stakeholder engagement and considers all new initiatives to ensure they are in keeping with our sustainability objectives and the views of our stakeholders.



To read more about our approach, visit: www.ulsterbank.com

Help for what matters



Important Information

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