

Press Release

Ulster Bank Full Year 2019 Financial Results – New Lending Increases 13%

- Operating Profit of €55m (€15m in 2018)
- Operating Expenses reduced to €630m (€657m 2018)
- Total income reduced to €647m (€689m in 2018)
- Net impairment release of €38m (net charge of €17m 2018)
- Gross New lending increased 13.0% to €3.0bn
 - New mortgage lending of €1.4bn
 - New lending to businesses of €1.6bn
- Net loans to customers have increased to €21.4bn (from €21.0bn in 2018)
- Announced a sale of a portfolio of non-performing loans in Q4 2019
- Further dividend of €0.5bn paid to our shareholder in Q4 2019
- CET1 Ratio of 26.5%

Ulster Bank Chief Executive Jane Howard said:

“As we move to become a digitally-focused bank, we have seen good progress in delivering for our customers while building a stronger and more sustainable bank. We lent more to customers in 2019 to buy a home or expand their business, we have seen improvements in our non-performing loan and loan to deposit ratios, an improvement in our asset quality and our net assets have grown for the first time since 2008. Income has reduced to €647m from €689m, mainly due to reduced income from non-performing loans that we sold in 2018 as well as some accounting changes. The strength of our balance sheet and capital position enabled us to pay another dividend to our shareholder in December.

“Our non-performing loan ratio improved with further reduction to come as we support customers in difficulty to get onto a sustainable solution and we realise the sale of an NPL portfolio announced in October. In this area, our primary focus continues to be to help customers in difficulty to come to a sustainable solution to keep them in a home they can afford.

Delivering for our Customers

“In 2019 we lent €1.4bn to help over 6,000 customers to buy a new home, to switch mortgage or to buy an investment property. We delivered new and improved service to our customers as well as expanding and simplifying our competitive rates for new and existing customers. The ‘Manage my Mortgage’ portal made it much easier for more than 4,000 customers to switch to a new rate online in 2019, we also introduced online approval in principle and our mortgage specialists are available in branch, on the phone and via our mobile mortgage manager network to help people with one of the biggest financial decisions in their lives.

“In 2019, we increased our new lending to business customers all around Ireland to €1.6bn to support customers looking to invest in or expand their businesses. We supported SMEs across a range of sectors and saw strong customer activity in agriculture, food & drink, healthcare and asset finance in particular. We continue to invest in our products and services for customers such as Clearspend, which gives business customers more control over their credit card spending and a new fixed rate loan product which delivers simpler and faster fixed rate loans to SME customers. We also continued our Brexit supports for Irish business, including our business roadshow in partnership with the British Irish Chamber of Commerce.

Digital First

“Our strategy to serve our customers digital-first, supported by our colleagues on the frontline continued at pace in 2019. New services are focused on empowering customers to more actively manage their finances for now and the future. In 2019 we introduced the ability to lock/ unlock your debit card; to encourage the savings habit by creating ‘savings goals’ on the app and more recently the new ‘spending’ app feature giving customers more visibility of how they are spending their money.

“As we continue to simplify our processes and improve our service, we can see that our structure is unnecessarily complex, and can get in the way of delivering for our customers. We are continuously reviewing how best to structure our business to support our colleagues to deepen our relationships with our customers and communities – to enable us to be effortless everyday and brilliant when it matters.

Purpose and Strategy

“As a Bank, we want to build a sustainable business, focused on our customers. Our shared purpose across the Bank to champion potential, to help people, families and businesses to thrive, will deliver long-term sustainable performance. This will concentrate on three pillars – supporting enterprise, building financial confidence and tackling climate change.

“We have built strong foundations, but our performance doesn’t yet match its full potential. We need to revitalise our support for our customers at every point of their lives, especially at the key moments that matter to them. This means running a bank that is safe, simple and smart, supporting our customers with what they really need. Underpinning this, we will continue to build a great place to work for our colleagues, grow our balance sheet safely, meet all of our regulatory obligations and embed a strong customer, compliance and conduct culture while working to right-size our cost base and simplify our operating model.”

Ends.