

## **Ulster Bank Update on Withdrawal: MOU with Permanent TSB Progresses to Legally Binding Agreement**

### **Binding Agreement Covers Performing Non-Tracker Mortgages, Micro-SME Performing Loans, Ulster Bank's Lombard Asset Finance business and 25 Ulster Bank Branches**

#### **Principle of TUPE will apply**

Today (17 December 2021), Ulster Bank Ireland DAC ("Ulster Bank"), announces an update on its phased withdrawal process, confirmed on 19 February 2021. The previously announced non-binding Memorandum of Understanding ("MOU") between Ulster Bank's parent NatWest Group plc and Permanent TSB Group Holdings p.l.c. "Permanent TSB", has now moved to a legally binding agreement.

The proposed sale comprises a total of approximately €7.6bn gross performing loans as at 30 June 2021, the majority relating to performing non-tracker mortgages as well as performing loans in our micro-SME business; Ulster Bank's Lombard Asset Finance business, including the Lombard digital platform and a subset of 25 Ulster Bank branch locations (list appended).

As part of the non-binding MOU in July, we confirmed that employees wholly or mainly assigned to the agreed in-scope perimeter, including colleagues in the branch locations which are designated to be acquired by Permanent TSB, will have a right to transfer under TUPE regulations if and when a deal is finalised. This is anticipated to be c. 450 colleagues, with the final number of roles confirmed as the deal completes.

Completion is expected to occur in phases between Q4 2022 and Q1 2023, although the majority of loans are expected to transfer in Q4 2022. As completion is subject to obtaining regulatory and other approvals and other conditions being satisfied, completion may not occur when expected or at all. As part of the consideration for the transaction, NatWest Group plc will receive a minority non-consolidating equity stake of 16.66% in Permanent TSB. This transaction is subject to obtaining regulatory approvals.

There is no need for any Ulster Bank customers to take any action. If they are potentially impacted by today's announcement, we will be in contact with them directly and letters and emails will be sent to potentially impacted customers as soon as possible between now and early January.

There are other customers and customer products which are not covered by today's announcement and we will update on those as we can. While performing tracker mortgages are not part of today's agreement, Ulster Bank and NatWest Group plc are working on a pathway for these customers and a process is underway in this regard.

There is no change to the other commitments which Ulster Bank has made – we do not envision a bank-wide voluntary redundancy scheme in H1 2022 and we do not anticipate closing any branches in H1 2022.

Ulster Bank Chief Executive Jane Howard said:

*"I am pleased that our agreement with Permanent TSB has progressed to a binding agreement. While subject to further work and the relevant approvals, there remains no change for potentially impacted customers and we will be in contact with them over the coming weeks to keep them updated. Customers do not need to take any action at this time, as a result of this announcement. I am confident that this deal with Permanent TSB will deliver a positive solution for our customers and our colleagues. We will continue to work with our colleagues and their representatives to manage this process in a fair and responsible manner.*

*"A key part of the process now is to complete the regulatory approvals, this is likely to take a number of months and we will continue to keep our customers informed throughout this process."*

#### **Forward-looking statements**

This document contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, such as statements that include, without limitation, the words 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'probability', 'risk', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. These statements concern or may affect future matters, such as NWG or UBIDAC's future economic results, business plans and strategies. In particular, this document may include forward-looking statements relating to NWG and/or UBIDAC in respect of, but not limited to: NWG's phased withdrawal from the Republic of Ireland and any agreements relating thereto, expected completion dates for the proposed sale, NWG's expectation that its phased withdrawal from the Republic of Ireland will be capital accretive to NWG, and NWG and/or UBIDAC's future economic results, business plans and strategies. Forward-looking statements are subject to a number of risks and uncertainties that might cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statements. Factors that could cause or contribute to differences in current expectations include, but are not limited to, the impact of the Covid-19 pandemic, future acquisitions or divestments, the outcome of legal, regulatory and governmental actions and investigations, the level and extent of future impairments and write-downs (including with respect to goodwill), legislative, political, fiscal and regulatory developments, accounting standards, competitive conditions, technological developments, interest and exchange rate fluctuations, general economic and political conditions and the impact of climate related risks and the transitioning to a low carbon economy. These and other factors, risks and uncertainties that may impact the above, and any forward-looking statement or actual results are discussed in NWG's UK 2020 Annual Report and Accounts (ARA) and H1 IMS (see Risk Factors, including the risk factor entitled 'NatWest Group is currently implementing its Purpose-led Strategy, which carries significant execution and operational risks and may not achieve its stated aims and targeted outcomes'), UBIDAC's 2020 Annual Report and Accounts and H1 IMS (including its Principal Risks and Uncertainties) and NWG's filings with the US Securities and Exchange Commission, including, but not limited to, NWG's most recent Annual Report on Form 20-F and Reports on Form 6-K. The forward-looking statements contained in this document speak only as of the date of this document and NWG and UBIDAC do not assume or undertake any obligation or responsibility to update any of the forward-looking statements contained in this document, whether as a result of new information, future events or otherwise, except to the extent legally required.

List of 25 Ulster Bank branches included in the binding agreement:

	<b>County</b>	<b>Branch</b>
1.	Cavan	Ballyconnell
2.	Cavan	Ballyjamesduff
3.	Clare	Shannon
4.	Cork	Wilton
5.	Donegal	Ballybofey
6.	Donegal	Buncrana
7.	Donegal	Donegal (town)
8.	Donegal	Killybegs
9.	Dublin	Blackrock
10.	Dublin	Blanchardstown

11.	Dublin	Lucan
12.	Dublin	Ranelagh
13.	Dublin	Rochestown Ave
14.	Dublin	Swords Pavilions
15.	Galway	Athenry
16.	Galway	Eyre Square
17.	Galway	Tuam
18.	Kildare	Celbridge
19.	Kildare	Kilcock
20.	Louth	Ardee
21.	Mayo	Belmullet
22.	Mayo	Westport
23.	Meath	Trim
24.	Tipperary	Thurles
25.	Wexford	Enniscorthy