



Sustainable Banking Report 2017

Building a more sustainable bank

Help for what matters

✦ Ulster Bank

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CEO overview

Our ambition is to become the number one bank for customer service, trust and advocacy by 2020. Being a strong, sustainable bank is one of our main objectives.

In 2017 we continued to innovate in digital banking with the launch of Apple Pay® and Android Pay™ so we can serve our customers in the quickest and most convenient ways for them.

We expanded our Bank on Wheels service to five routes, serving more customers in more rural locations around Ireland and we introduced six new community bankers who help protect customers from financial harm. This includes older customers who may be more vulnerable to frauds and scams or even to financial abuse by carers, friends or family members. Fraud Awareness continues to be an important subject both internally and externally. Our Fraud Prevention, Cyber and Community Protection teams delivered customer awareness events last year and we also teach fraud awareness in schools through our MoneySense financial education programme.

I am particularly proud of the contribution we are making to our communities from the bank-wide CPR training we have provided to colleagues, to our support of social innovation through our partnership with YSI, to the money raised for our charity partners through our internal fundraising programme, Do Good Feel Good. In addition to benefiting our communities, this activity also contributes to making Ulster Bank a great place to work.

Despite our successes, there are times where we didn't get it right for our customers. This not only impacted our customers' but society's trust in banks and our industry. We will continue to work hard to rebuild this trust through our commitment to our customers. We are listening and learning.

With the support of our parent, Royal Bank of Scotland (RBS), our focus is on ensuring that Ulster Bank is best positioned to compete and grow for the benefit of our customers, colleagues, communities and corporate stakeholders whilst seeking to regain customer trust by addressing the mistakes of the past.

Building a more sustainable bank

Our purpose is to serve customers well and our ambition is to become the number one bank for customer service, trust and advocacy by 2020, as we strive to meet the needs of our stakeholders: customers, colleagues, communities and shareholders. We are supporting our ambition by building a safer, simpler and more sustainable bank and our blueprint for lasting success is how we will achieve it.



Living our values

Serve customers well. This is our purpose. Our values guide our actions, every day, in every part of the bank.

- Serving customers**
 We exist to serve customers. We earn their trust by focusing on their needs and delivering excellent service.
- Working together**
 We care for each other and work best as one team. We bring the best of ourselves to work and support one another to realise our potential.
- Doing the right thing**
 We do the right thing. We take risk seriously and manage it prudently. We prize fairness and diversity and exercise judgement with thought and integrity.
- Thinking long term**
 We know we succeed only when our customers and communities succeed. We do business in an open, direct and sustainable way.

Our blueprint for lasting success

Our Ambition

No. 1
for customer service, trust and advocacy

Our Purpose

Serve customers well

Our Values

Serving customers Working together Doing the right thing Thinking long term

Our Brand

Ulster Bank

Our Priorities

Strength and sustainability Customer experience Simplifying the bank Supporting growth Employee engagement

Living our Values Awards

We celebrate the outstanding achievements of the fantastic people across the bank at the Living Our Values awards. The awards shine a light on the people who are determined to live our values every day. Our values apply to all of us; Serving customers, Working together, Doing the right thing and Thinking long term.

3,108 
Total nominations for Ulster Bank for 2017

42% 
of these were for awards nominations

That means people went on to tell the story of what they were nominating the individual for and they considered their actions to potentially be worthy of recognition at Ulster Bank level.

Of the total award nominations:



Key influences in our operating environment

Change is constant and as a business we need to adapt and respond to these influences, which have been identified through internal and external stakeholder engagement, and through a review of our internal and external resources.

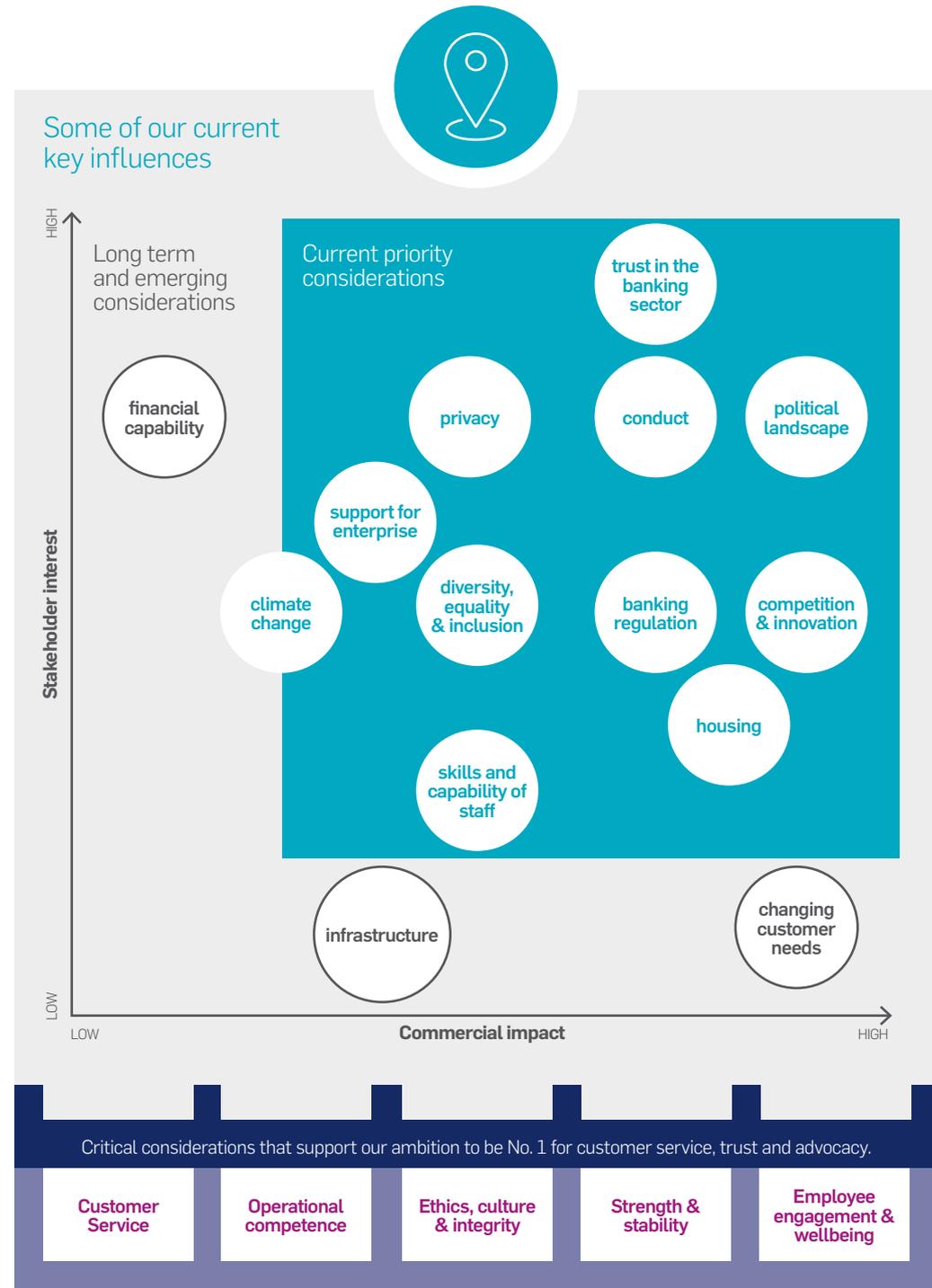
This review is undertaken by our parent company, Royal Bank of Scotland (RBS) as a part of a detailed bank-wide strategy.

More information on the approach can be found at www.rbs.com/sustainability.html

The graphic opposite shows some of our current key influences, and the report explains in more detail how we are addressing the relevant topics.

The Yes Check is a simple tool with five questions that help to guide our decisions and actions.

- 1 Does what I am doing keep our customers and Ulster Bank safe and secure?
- 2 Would customers and colleagues say I am acting with integrity?
- 3 Am I happy with how this would be perceived on the outside?
- 4 Is what I am doing meeting the standards of conduct required?
- 5 In five years' time would others see this as a good way to work?



Making a difference for our customers

Customer behaviour is telling us they want us to be different, to do things differently and to be there to support them when big life moments happen.

To do this we must adapt our business model and approach to remain relevant for our chosen customer segments while achieving sustainable, cost effective growth.

Building a future looking, long term, sustainable business which is flexible and adaptable to customer needs is essential to remaining relevant in this market. It also means we must be careful and pragmatic in how and where we invest and resource our business to balance the changing needs of our customers.

We made the difficult decision to close 22 of our branches and reduce the number of roles in some locations to directly reflect customer demand. We focused on creating more flexibility through increasing the number of ways our customers can interact with us. These changes now mean that we serve our customers through both a physical presence and an outreach programme making up a network of 150+ locations, which include two new, state of the art Bank on Wheels routes. The routes

allow us to service areas where we had a physical presence. We introduced a new role, Community Banker. These colleagues service communities in rural areas offering sales and service, as well as technology and fraud protection advice. Customers are also able to access extended banking services through An Post.

We invested in our branch network and introduced new technology in a number of new locations which included new deposit machines for both coin and cash (business and personal) to increase the secure options available for our customers.

We launched Apple Pay® and Android Pay™ and we've seen an excellent response to these services as well as additional new digital services such as future dated payments and improved credit card services through our app so we can continue to serve customers in the quickest and most convenient ways for them.



Net Promoter Score

Our Net Promoter Score (NPS) is an important measure we use when evaluating progress towards achieving our ambition to become number one for customer service, trust and advocacy.

Customers are asked how likely they would be to recommend their bank to a friend or colleague, and respond based on a 0-10 scale with 10 indicating "Extremely likely" and 0 indicating "not at all likely". Customers scoring 0 to 6 are termed detractors, scores of 7 and 8 are passive and customers scoring 9 to 10 are deemed promoters. The NPS is arrived at by subtracting the proportion of detractors from the proportion of promoters. The table below shows the NPS across our four banking divisions over the last three years. Also included in the table is our market position for NPS within each of the divisions.

	Year end 2015	Year end 2016	Year end 2017	Ranking ⁶
Personal Banking ¹	-14	-7	-7	No 2
Business Direct ²	N/A	N/A	-6 ⁵	No 2
SME Banking ³	N/A	8	9	No 1
Commercial Banking ⁴	15	25	23	N/A

¹ Source: Coyne Research, Q4 2017 (4 quarter rolling data). Latest base size: 275 Question: Please indicate to what extent you would be likely to recommend [BRAND WHERE PRIMARY CURRENT ACCOUNT HELD] to your friends or family using a scale of 0 to 10 where 0 is not at all likely and 10 is extremely likely.

² Source: RED C Research, Business Direct Survey. Latest base size: 271. Question: On a scale of 0 to 10, where 0 is 'not at all likely' and 10 is 'extremely likely', how likely would you be to recommend [BRAND], to another business or colleague?

³ Source: RED C Research, SME Survey. Latest base size: 252. Question: On a scale of 0 to 10, where 0 is 'not at all likely' and 10 is 'extremely likely', how likely would you be to recommend [BRAND], to another business or colleague?

⁴ Source: RED C Research, Commercial Banking Survey. Latest base size: 71. Question: On a scale of 0 to 10, where 0 is 'not at all likely' and 10 is 'extremely likely', how likely would you be to recommend [BRAND] as a Corporate Banking provider, to another business or colleague?

⁵ Survey provider changed to RED C Research at the beginning of 2017, latest results available.

⁶ Ranking based on main banks with 100 or more respondents. Base size not sufficient for a market comparison in Commercial Banking.

Customer complaints

We aim to provide the highest quality complaint service to our customers and to resolve their issues fairly, promptly and satisfactorily, to restore their trust in Ulster Bank. In order to do this, we encourage all colleagues to welcome a complaint and we have created expert centralised complaint handling teams whose primary responsibility is complaint handling.

In 2017 our complaint volumes increased by 52%. This increase was largely due to remediation projects. During the year we delivered continuous improvements in our complaint handling processes, using the Lean Methodology. The improvements have helped resolve customer complaints quicker and more effectively. We also revised our reporting and root cause analysis process, focusing on analysing the primary causes of customer complaints to provide improved products, processes and services to our customers and thereby reduce complaint volumes.

We also implemented additional training and coaching for staff. Complaint handlers completed a coaching programme, upskilling them on the principles of delivering high quality customer service. We revised our quality assurance testing programme, which now includes weekly tests for Service Excellence behaviours.

We have made good progress with our policy of engaging in early mediation with the Financial Services and Pensions Ombudsman (FSPO), and are now settling 86% of Ombudsman referrals through mediation. This provides a better outcome for everyone.

Supporting vulnerable customers

As part of RBS, our customers benefit from a bank-wide programme to improve the experiences of customers in vulnerable situations. Vulnerability may arise at any time for a customer due to a physical or mental disability, sight or hearing loss, serious illness, stressful life event, financial stress or other issues that may mean a customer needs extra support from our staff.

Across the bank a number of initiatives were introduced to create awareness of vulnerable situations, upskill our teams and ensure empathy for our customers.

Community Bankers

We introduced a new Community Banker role that promotes social and financial inclusion through community led financial education and helping our customers (especially the vulnerable), make informed financial decisions through initiatives such as personal financial reviews, scams and fraud workshops and digital tools to manage their personal finances.

Community Protection Advisor

The Community Protection Advisor role helps to raise awareness of vulnerability issues and provides guidance and support to our frontline colleagues so that they in turn can respond with empathy to customers who find themselves in vulnerable situations. The Community Protection Advisor also supports community led education through financial harm awareness sessions to help keep communities safe and secure.



Denise Cusack,
Ulster Bank's
Community
Protection Advisor

The Community Protection Advisor also supports community led education through financial harm awareness sessions to help keep communities safe and secure.



We know that customers whose complaints have been handled promptly, sensitively and fairly become our strongest advocates and we continue to welcome all feedback from our customers.

Understand Together – Dementia Training

In 2017 we collaborated with the Health Service Executive (HSE), to deliver a specially designed training session to some of our customer-facing colleagues who regularly deal with customers diagnosed with dementia, or suspected dementia, as part of their Understand Together campaign. The campaign is aimed at the whole population, but particularly people with dementia, their carers, families and friends and people concerned about dementia.

Internal Training Module

The vulnerable customer e-learning module was completed by all of our colleagues whether in customer-facing or support roles. It will be an annual feature to ensure our colleagues are kept up to date on new methods of helping vulnerable customers.

Protecting customers from scams and frauds

As businesses increasingly move towards delivery of services through online and mobile channels, the customer benefits of accessibility and convenience must be matched by service reliability, safety and security. Like other large banks, RBS and Ulster Bank are investing heavily in fraud protection and detection systems to protect our customers' accounts, particularly in the case of vulnerable customers. Employee training on fraud prevention is mandatory.

In 2017, our Fraud Prevention, Cyber and Community Protection teams delivered 10 customer awareness events, reaching more than 500 business & personal customers, educating them on the latest frauds and scams, and providing guidance on protecting their

personal and business accounts. We have also been active on social media, advising followers on ways to protect themselves and their money. In addition, a number of changes have been made to the Security Advice section on our websites, making it easier for customers to find out information on fraud.

2017 also saw the very first Fraud Awareness week in the Republic of Ireland, through the launch of the 'FraudSmart' Industry initiative, in which we play an active role.

Helping customers in financial difficulty

The main priority of the Arrears Support Unit (ASU) is to support customers who find themselves in financial difficulty with their mortgage by offering long term sustainable solutions, keeping people in their homes where possible.

To improve the customer journey, our ASU has placed simplification at the forefront of what we do. This has resulted in the streamlining of our critical processes for nearly 21,000 customers. In doing so, our ASU has increased its capabilities to engage with our customers, which has included the provision of enhanced information to them about their arrears.

In the past 12 months, we have arranged nearly 2,100 long term Alternative Repayment Arrangements which have assisted the customers in getting their finances back on track and keeping them in their homes. In a small number of cases, regrettably, the solutions have broken down or customers did not respond to our offers to discuss their situation. As we move into 2018 our focus will remain on delivering fair and consistent outcomes and experiences to our customers.



**Donal Cronin,
Community Banker, Cork, says;**

"The new role allows us to reach out further to communities, and help our customers in a more flexible and convenient way. My role can change daily, and can include visits to companies, customer home visits and community workshops. We had a customer recently who was hearing impaired, he was mostly housebound, and would use his card to shop online. Due to a security risk, his card was blocked, and he wasn't able to talk to the support team over the phone. I was alerted to the issue, and arranged over email to call out to his house and help him to unblock his card face to face. This is just one of the many ways our team of community bankers can support our customers, we can also conduct financial reviews, educate on financial security and help to teach vulnerable customers the ways our bank can help them. If anyone would like to arrange an appointment with a community banker, they should just call their local branch."

Mobile and online services

The world around us is changing all the time and our customers expect smarter products, better services and more meaningful experiences that provide significant help in their everyday lives. We want to be relevant today, tomorrow and in the future for all our target customer segments.

Our core focus is to work collaboratively across the bank and across RBS to empower, engage and deliver customer relevant outcomes that:

- Fix basic customer pain points;
- Ensure business as usual activity is market and customer competitive;
- Enhance our current business model through evolutionary product, service and experience innovations;
- Generate disruptive innovations that create future relevance.

Digital Capability

As customer behaviour continues to change we adapt and respond with constant improvements to our online channels.

We continue to see more customers switch to mobile and online services as their preferred way to bank with us. Mobile and online banking are the preferred channels for 70% of our total active customer base. Investment in these areas is paramount and, by leveraging the scale and investment capacity of RBS, we have been able to fast-track new mobile and online services.

Following the successful new features added to our mobile app in 2016, a range of additional features have been added in 2017. We became the first bank in Ireland to enable customers to access a banking app using Face ID, the facial authentication feature exclusive to iPhone® X.

A new way to pay

With Apple Pay® and Android Pay™, customers can now shop using just their mobile phone. We were one of the first banks in Ireland to make the service available to our customers. Apple Pay® is an easy, secure and private way to pay that's fast and convenient.

Digital behaviour



59.5%

of all accounts are now paperless



Over 63,000

digital activations for Ulster Bank customers in 2017

Digital transactions
65%
of active customers transact/bank on digital channels

40%
of all active customers are using the mobile app (up from 31% in Dec 2016)

70%
of active customers are digitally active

Mobile App Upgrades



Personalised welcome message on log in.



Face ID the facial authentication feature exclusive to iPhone® X.



Save low value payee details and delete payees without having to go into Anytime Banking.



Make future dated transfers (Android™ only).



Remain Logged On – when customers leave the app it will remain logged on for a number of seconds rather than forcing the customer to log in again (selected operating systems only).



Credit card servicing to allow customers to increasingly 'self serve' rather than calling the credit card centre or accessing credit care.



For business customers: ability to add different business accounts in the same mobile session

Supporting Ireland's SME and agriculture economy

Our small and medium enterprise (SME) and agricultural customers are at the heart of our commercial business. For all of our customers, we aim to help them grow their business, create jobs and gain access to new markets at home and abroad.

We're proud to have increased our support for SMEs again in 2017 through increased lending across a wide range of sectors with agriculture, hospitality, retail, transport and manufacturing being our primary focus areas. We funded a variety of key projects for our customers including business expansion, new premises loans, working capital support and capital expenditure.

In addition to financial services, we also provide a range of other supports for our customers including opportunities and fora to get help and advice on dealing with their biggest issues. In 2017 we ran seminars and events right across the country in association with the Irish Exporters Association (IEA) and other media partners. In 2018 we will do even more, collaborating once again with the IEA and working with Chambers of Commerce in Ireland and internationally, including the British and American Chambers. We continue to work with Teagasc and other Agriculture bodies to support Ireland's farming community.

Online, our Business Achievers platform has been enhanced to provide Ireland's small business community with the benefits of peer learning, online dynamic content and the ability to access to information about events and opportunities of interest to them.

Commercial property and infrastructure lending

The current housing crisis is fuelled by a low supply of accommodation units and a rising demand. As one of Ireland's leading commercial banks, we are acutely aware of our obligation to deliver finance to improve the housing supply so we provide financing for housing and accommodation developments in areas of intense demand and housing pressure.

Over the past three years we have committed funding for the development of over 1,000 new housing units, another 1,000 student living units and 275 apartments. In 2018, we will explore all options to increase the levels of direct development financing we can offer to help support this sector in providing vital accommodation.

Supporting social finance

The Social Finance Foundation was established in 2007 by the Irish Government to address the needs of community organisations and social enterprises for loan funding, which was difficult to obtain from mainstream financial institutions due to prudential lending parameters. The approach taken to establish the foundation involved collaboration between the private, public and social sectors. It was supported by the Department of Finance and funded completely by the Irish Banking Industry. The funding by the Banking Industry recognised its responsibilities to the social sector in Irish society. Since providing funding in 2007, we have kept close ties with the Foundation, providing day-to-day lending facilities and nurturing a strong customer relationship.

Case study

John F Kennedy Trust

The John F Kennedy Trust operates the Dunbrody Famine Ship and Visitor Centre in New Ross, Co. Wexford. This was one of the projects that received funding from the Social Finance Foundation in 2017.

The Dunbrody is a three-masted wooden sailing ship, built in New Ross as a replica of the original 19th century ship, and launched on 11th February 2001. She was towed to the quayside in New Ross and opened to visitors in May that year. The ship is a tourist attraction with educational content, which provides a world-class interpretation of the famine emigrant experience. It has welcomed over 500,000 visitors to date, and is one of the highest profile tourist attractions in the South-East.

The activities of the JFK Trust have broadened to include running the Kennedy Homestead, the Tea Rooms at the Arboretum, supporting start-ups and small businesses and bringing New Ross and the Irish America connection to a more diverse audience with the Kennedy Summer School.

The Social Finance Foundation, through its partner Community Finance Ireland, assisted the group by investing in various capital upgrades both aboard the ship and within the Visitor Centre, with a view to further enhancing the visitor experience at this premier tourist attraction.

For more information head to Dunbrody.com



Circuit launches **online auditor request platform** with **Ulster Bank** to speed up the financial audit process for businesses.

Pictured left to right: Niall McEvoy, Manager, High Potential Start Ups at Enterprise Ireland, David Heath, Founder, Circuit, David O'Connor, Operations Director, Circuit and Ciarán Coyle, Chief Administrative Officer, Ulster Bank.

Helping the tech start-up community

Whether it's social innovation, technology or encouraging our colleagues to make positive changes to the way we work by thinking creatively – a culture of innovation is very much at the forefront at Ulster Bank in terms of the bank we are and the bank we are becoming. We continue to encourage growth and strengthen ties in the Fintech community through our relationship with Dogpatch Labs. As a result of this relationship, we have hosted and facilitated ground breaking meetings, held hackathon events and created mentorship programmes for Fintech start-ups.

At the start of the year, we arranged for Philip Hammond, Chancellor of the Exchequer, along with His Excellency Robin Barnett, British Ambassador to Ireland, to visit Dogpatch and discuss the valuable relationship

between Ireland and the UK in the Fintech sector and how important it is to continue to develop it. This discussion was a significant milestone in strengthening support for the sector and ensuring its sustainable future. We also facilitated the first blockchain collaboration between banks, which established a pilot project to explore the use of blockchain technology, designed to improve the speed, resilience and security of the domestic payment system.

Supporting Fintech start-ups is a key part of our association with Dogpatch. In February we hosted the largest hackathon ever hosted across RBS, with over 170 participants, 25 teams and 5 winners. The hackathons help to identify and nurture new solutions in start-up companies that help both

the Bank and our customers. Our 2015 hackathon winner, Circuit, is a primary example of one of these mutually beneficial relationships. Circuit developed an online tool that can cut the time it takes to perform financial audits by up to 80%. This product is now available to all Ulster Bank customers.

We continue to support these start-ups through monthly sessions, which bring new companies together with our colleagues, with the aim of providing mentorship and guidance to help them in their business journeys. In September, Ulster Bank became the first bank in Ireland to launch an Open Banking API, further supporting Fintechs in their access to the Irish market.



Helping business grow and connect

We seek to connect our business customers with industry thought leaders, new business opportunities and supportive connections through the Business Achievers networking hub. The Business Achievers network has garnered a membership base of over 20,000 since its launch in May 2017. New members continue to join the hub resulting in increased engagement and the creation of new groups on the issues important to customers. Most recently a new independent group was created dedicated to the topic of the General Data Protection Regulation. It now has over 50 members posting

questions and sharing knowledge in an effort to collectively meet the challenges provided by this incoming legislation.

The mobile app 'Business Achiever News' launched in November and has now made it easier for our customers and colleagues to share the unique content they find on Business Achievers across their other social media networks including LinkedIn, Twitter and Facebook.

More information is available at www.business-achievers.com

Making a difference for the environment

Lending to the low carbon economy

Climate change is a significant global issue, and we recognise the importance of the role we have to play in mitigating harmful emissions and helping to provide low cost renewable energy. We have significantly reduced our lending to carbon intensive parts of the economy and in 2017, the RBS Group did not directly finance any new coal mining or coal power projects.

At Ulster Bank, we continue to fund renewable energy projects across the island of Ireland. By funding these low carbon projects, we are helping customers to mitigate their own carbon emissions and reduce energy costs. On a macro level, these investments are also supporting the delivery of Ireland's 2020 renewable energy targets.

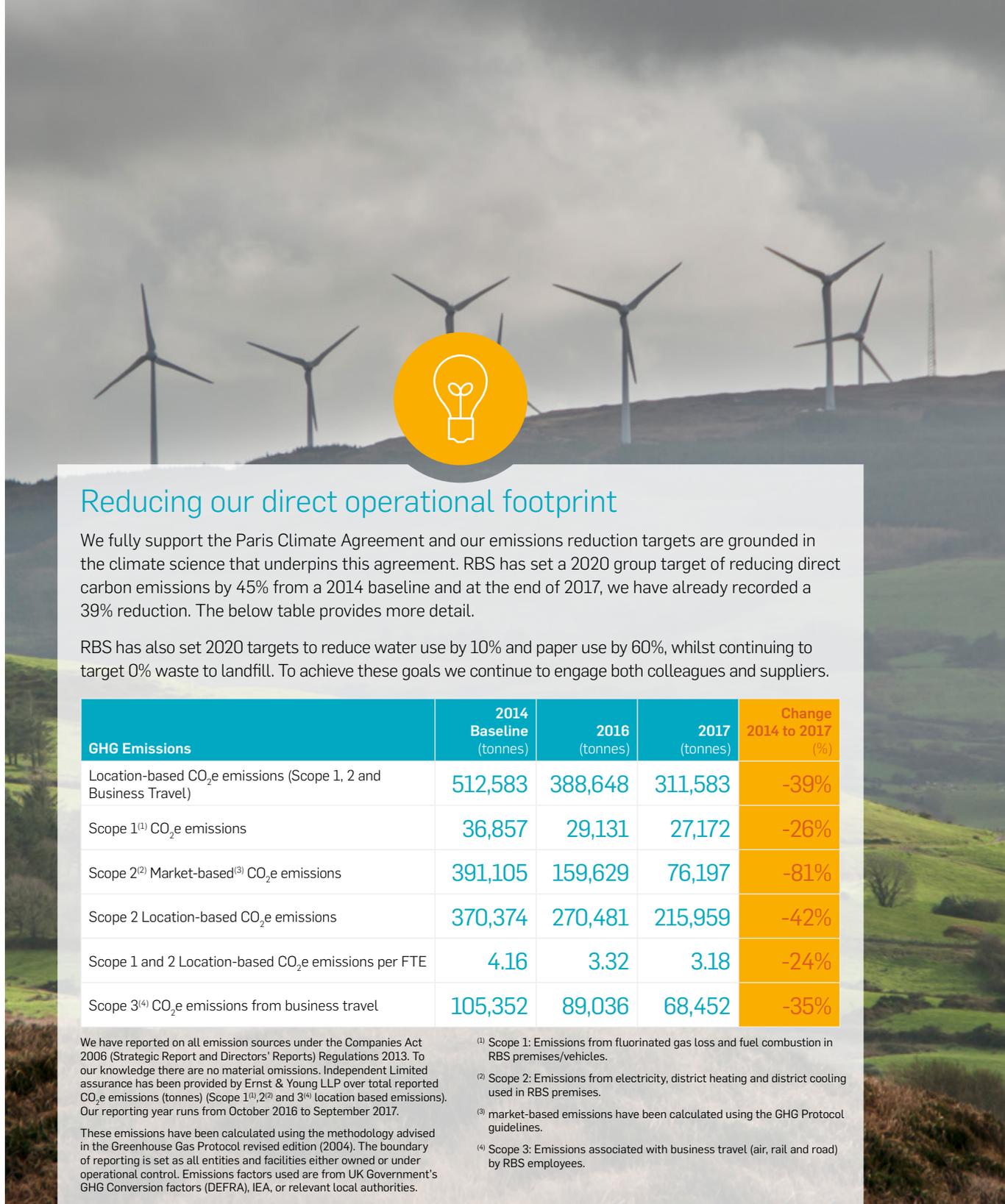
Equator Principles

As a subsidiary of RBS and a significant lender to renewable sector across the Island of Ireland, we have also signed up to the Equator Principles – a voluntary set of standards adopted by banks for assessing and managing social and environmental responsibilities in project financing. We will not provide project finance to borrowers who cannot comply with the Equator Principles. Read more about these commitments at:

www.rbs.com/rbs/sustainability/sustainable-banking-at-rbs/external-commitments.html

Internal Engagement

Engaged colleagues can better help us meet our environmental targets. This year RBS launched a brand new group-wide environmental engagement programme called JUMP. The programme allows colleagues to accumulate points for a range of environmentally-friendly activities such as switching off electrical equipment, reporting leaks and travelling sustainably. Colleagues compete with one other across the bank for the chance to win prizes in recognition of their accomplishments.



Reducing our direct operational footprint

We fully support the Paris Climate Agreement and our emissions reduction targets are grounded in the climate science that underpins this agreement. RBS has set a 2020 group target of reducing direct carbon emissions by 45% from a 2014 baseline and at the end of 2017, we have already recorded a 39% reduction. The below table provides more detail.

RBS has also set 2020 targets to reduce water use by 10% and paper use by 60%, whilst continuing to target 0% waste to landfill. To achieve these goals we continue to engage both colleagues and suppliers.

GHG Emissions	2014 Baseline (tonnes)	2016 (tonnes)	2017 (tonnes)	Change 2014 to 2017 (%)
Location-based CO ₂ e emissions (Scope 1, 2 and Business Travel)	512,583	388,648	311,583	-39%
Scope 1 ⁽¹⁾ CO ₂ e emissions	36,857	29,131	27,172	-26%
Scope 2 ⁽²⁾ Market-based ⁽³⁾ CO ₂ e emissions	391,105	159,629	76,197	-81%
Scope 2 Location-based CO ₂ e emissions	370,374	270,481	215,959	-42%
Scope 1 and 2 Location-based CO ₂ e emissions per FTE	4.16	3.32	3.18	-24%
Scope 3 ⁽⁴⁾ CO ₂ e emissions from business travel	105,352	89,036	68,452	-35%

We have reported on all emission sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. To our knowledge there are no material omissions. Independent Limited assurance has been provided by Ernst & Young LLP over total reported CO₂e emissions (tonnes) (Scope 1⁽¹⁾, 2⁽²⁾ and 3⁽⁴⁾ location based emissions). Our reporting year runs from October 2016 to September 2017.

These emissions have been calculated using the methodology advised in the Greenhouse Gas Protocol revised edition (2004). The boundary of reporting is set as all entities and facilities either owned or under operational control. Emissions factors used are from UK Government's GHG Conversion factors (DEFRA), IEA, or relevant local authorities.

⁽¹⁾ Scope 1: Emissions from fluorinated gas loss and fuel combustion in RBS premises/vehicles.

⁽²⁾ Scope 2: Emissions from electricity, district heating and district cooling used in RBS premises.

⁽³⁾ market-based emissions have been calculated using the GHG Protocol guidelines.

⁽⁴⁾ Scope 3: Emissions associated with business travel (air, rail and road) by RBS employees.

Making a difference for colleagues

Our colleagues are critical to helping us achieve our ambition, and we want to ensure that Ulster Bank is a great place to work for them.

We aim to achieve this through evolving our bank-wide learning programmes, promoting an open and inclusive work space, and strengthening our health and wellness programmes. Our people live our values everyday and by doing this we become a better bank for them and for our customers.

Determined to Lead

We continued the rollout of Determined to Lead (DtL) across Ulster Bank in 2017. DtL is our leadership programme which was introduced in 2015. It teaches the skills and techniques that enable people leaders to lead, manage and coach their teams so they make positive behaviour changes and improve their performance.

The Performance Excellence Consultants who coach our senior leaders and support the embedding of the DtL programme carried out 50 coaching sessions per week throughout 2017. They also delivered 26 Coaching Clinics and 12 DtL clinics to a total of 476 Leaders.

To date 69% of Ulster Bank Leaders have completed their DtL Journey consisting of three classroom modules. Further workshops are rolling out in 2018 to ensure that all of our People Leaders have attended the full programme.

In 2017 we introduced the DtL Coaching Mastery, which assesses leaders' ability to deliver great coaching to their teams. Our senior leaders are all Masters in coaching.

Service Excellence

Service Excellence is our complete bank-wide customer service programme. It teaches the relationship techniques and core service behaviours that enable each employee to provide a great service experience to customers and colleagues. It also teaches more advanced techniques for gathering and handling feedback and relationship management. In 2018 we look forward to the launch of our new Sales Excellence programme, further embedding a responsible and ethical sales practice for all our front line staff.



New Horizons

New Horizons is our sponsored education initiative. It launched in 2015 to help build capability and to professionalise the workforce. To date, we have supported over 2,000 new Professional Qualifications.

Over half of our colleagues currently hold a professional qualification, and we have exceeded requirements in training our customer-facing staff. We have been setting the standards in education for the banking sector by leading and collaborating on the following programmes:

- Diploma in Corporate Banking Credit
- SME Agri Module
- SME Property Module

With a focus on building skills for the future we partnered with Financial Services Ireland (FSI) and were part of the launch group for the International Financial Services (IFS) Apprenticeships in September. Five internal candidates are completing the IFS Specialist Apprenticeship, completing a Higher Diploma in Financial Services Analytics in the National College of Ireland.

Bounce

The Bounce programme is our internal innovation programme. It aims to create a culture of innovation and empowerment within our organisation and helps colleagues develop their skills in creative thinking, problem solving and collaboration to ultimately deliver better service for customers. 488 colleagues have already been through the Bounce Masterclass in 2017, and following on from this success, in 2018 we look forward to rolling out the Bounce Start-up intrapreneurship programme.

Diversity & Inclusion

Ensuring a diverse workforce is fundamental to being a great bank for our customers, and a great place to work for our colleagues.

Together with RBS, we're making good progress on our key priorities.

Promoting Awareness: One of the main ways we drive awareness of what being inclusive means is through Unconscious Bias training. We also have our Champions framework, where colleagues are encouraged to promote diversity and inclusion by becoming a Mentor, Sponsor, Role Model or Ally.

Gender balance: We continue to work towards our target of having at least 30% senior women in our top three leadership layers across each business by 2020 and to be fully gender balanced by 2030. Today 61% of our workforce is female. We have achieved 26% at our executive and senior management level and 44% at management level.

Supporting LGBT employees: We continue to support one of the largest Lesbian, Gay, Bisexual and Transgender (LGBT) employee-led networks in the UK and Ireland; the Rainbow Network. This is a 1,600-strong global network of colleagues working to support the LGBT community both inside and outside the bank. In 2017 we have hosted a number of networking events and have played a role in the set up of the new financial services FUSION network. We have also developed guidance for colleagues to help them support colleagues undergoing gender transition. We continue to support the wider LGBT community through our participation in Pride events and through reflecting diversity in our brand advertising.

Employee Engagement

Listening to our colleagues is really important to us. We use this feedback to improve, make positive changes and shape our workplace programmes. 75% of our colleagues completed our survey in September, and our scores have significantly increased since 2016. This highlights a renewed focus on making Ulster Bank a great place to work. The score also increased in the 'Our Manager' category, demonstrating the successful embedding of our DtL programme.

Agile

Agile is a project delivery methodology that is being adopted by banks worldwide. We began our Agile journey by using the Bounce programme to introduce the Customer, Digital and Innovation mind-sets. Organisational agility is about combining stable and dynamic elements of an organisation. For Ulster Bank, this means building dynamic capability to change our business, while retaining our current stability and resilient business platforms. The benefits are numerous and include a faster delivery of tangible results, the solutions to long standing issues and enhanced collaboration and a new method of working. Initial pilots have not only delivered tangible business results but also proven successful in growing motivation and enthusiasm from the cross divisional team members who took part.

In 2017, we piloted two Agile Sprints, consisting of cross divisional teams who underwent a two day training course, and were then tasked to improve Digital Adoption and Personal Loans Conversion. Results were strong and included tangible results in both sectors, including the development of the TechXperts training programme for branches and an increase in digital sales from 5% to 10%.

Wellbeing

During 2017, we continued to build on our wellbeing offerings under three key themes – mental health, physical health and organisational wellbeing. We held two specific focus weeks – one focusing on Mental Health awareness in May and another on general wellbeing in September. This was in addition to regular wellbeing initiatives and events throughout the year.

Key initiatives included an increased focus on mental health awareness including workshops for line managers, pop up dental,

physio and massage services, free blood pressure checks, the Virgin Pulse Global challenge and the #timeforme campaign to promote better work-life balance for all our colleagues.

In 2017, we also focused on ensuring that wellbeing initiatives were more accessible for colleagues working across the country. These included webinars and videos on simple desk exercises, regional talks on mental health and availability of pop-up services in locations around the country.



Healthy outcomes

70%
took part in at least one Wellbeing initiative in 2017

100%
of line managers who attended mental health awareness sessions reported improved knowledge around the topic

Healthy employee outcomes

1,694 people
took part in the **Virgin Pulse Global Challenge**

Upon completion of the Global challenge:

74% reported feeling less stressed	630lbs lost across Ulster Bank	67% concentrating better and productivity increased
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Awards

Winner of two awards with National Training Awards in March 2017

- Best Consultancy Partnership (Ulster Bank & Expression for Growth – Client Centricity in Commercial Banking)
- Best Coaching Initiative (Determined to Lead)



Making a difference for communities

We focus our community giving programmes around two key areas, financial education, and enterprise and innovation. These areas are where our core strengths lie, and how we feel we can best use our expertise to give back to the communities that we live and work in.



"I started working as a Community Banker in the latter part of 2017 and quickly realised MoneySense was a fantastic tool to use in communities.

I have run MoneySense programmes with "after schools" clubs, Brownies and schools. I'm always sharing the material available to parents when working with parent toddler groups for use with their own children. My standout MoneySense moment of 2017 was a 4-week course with a group of older adults with intellectual disability, who

attended a HSE community inclusion unit in Letterkenny. The Health Service team were so impressed at this blended learning approach which was so adaptable to their needs that they asked me to roll out the programme with their other 2 units and this is planned for 2018.

My advice to anyone is to go on to the website and look at the resources available, it really is a fantastic tool for teachers, parents and carers alike". Eve Curran, Community Banker, Donegal



MoneySense

MoneySense has been helping young people towards a better financial future for more than 23 years and the varied content aims to help 5-18 year olds to understand the changing nature of fraud and how they can protect themselves. A range of resources for each age group are available on www.mymoneysense.com including interactives, videos and worksheets.

These resources help teach pupils about money safety in the real world and how to avoid the dangers of fraud in a fun and

interactive way. In addition, MoneySense content also looks at a wide range of financial dilemmas including budgeting for a party, choosing a mobile phone contract and understanding when it is important to have insurance.

Teachers can also apply for bank volunteers to come in and support their classroom activities through interactive workshops. In 2017 we carried out 94 workshops across Republic of Ireland, directly supporting almost 3,000 pupils.



Pictured: Graduates from The DCU Access Scholarship Programme. From left to right are: Journalism graduates Zainab Boladale, Andrew Byrne and Hannah Kelly together with Law graduate Jamie Farrell. Photo by Marc O'Sullivan.



Pictured: Nathan Cooney and Megan Collins – Students of the Innovate Training Programme

Supporting equal opportunity in education

We have been funding access to education programmes since 2005, helping students from socio-economically disadvantaged backgrounds receive a higher education. In 2017 we supported both the DCU Access Scholarship Programme and the Belvedere College Social Diversity Programme. We're proud of the difference these programmes have made.

DCU

93% of Access students achieve a Degree level qualification

53% of Access graduates go on to a Masters level study or higher

96% of graduates are in full time employment

Belvedere College

75% of 2017 graduates entered further education programmes

25% of 2017 graduates entered apprenticeships

Skills and Opportunities Fund

Supporting socio-economic growth through enterprise and innovation is a key part of our community policy, and that's just what the Skills and Opportunities Fund does. The RBS-wide fund was set up to support programmes and projects that invest in disadvantaged communities and help people to gain new skills, start a business or find employment.

"Innovate Dublin was delighted to receive funding from Ulster Bank's Skills and Opportunities Fund. The funding helped us to run our innovative training programme, developed and successfully piloted last year in Ballymun, Dublin. We have 15 marginalised local unemployed people aged between 18 and 24 currently participating in the training programme. This funding has allowed us to embed the value of such a programme locally, while also giving us time to develop a financial model that will ensure we can replicate it on an annual basis both locally and across other disadvantaged communities from next year onwards." Annabelle Conway, CEO, Innovate Dublin.

In the three years since the Fund was launched, we have distributed grants of over €425,055 in funding to 24 organisations. These grants have helped 2,546 people, supported the creation of 304 jobs and 302 business start ups.



2,546
people



304
new jobs



302
start ups



Students from Largy College, Clones, Co. Monaghan – the 2017 Young Social Innovators of the Year

In 2017:

7,353
students
participated

220
schools
took part



Ulster Bank staff in Middleton get ready to begin their leg of the relay



Ulster Bank Fundraising volunteers



One of our most active volunteers is Paula Brady, a Leadership Facilitator in HR. Paula volunteers for our internal programmes, but also offers her skills to a number of community initiatives. In 2017, Paula was a judge on the Department of Education's Get Up and Go competition, a Student Enterprise Mini Company Programme for transition year students. Paula is also one of a number of Ulster Bank staff who volunteers with the Competition and Consumer Protection Commission's financial education programme, Money Skills for Life. "Money Skills for Life is a very rewarding programme, and one I enjoy supporting. In 2017 I volunteered to run a number of workshops, in organisations and community groups across Ireland. I'd recommend the Money Skills for Life programme to any group of people who would like to learn more about responsible financial management. The Give a Day programme provides the flexibility to volunteer for these initiatives, and enables us to give back to causes that we're close to or that suit our own personal interests and skills".

Young Social Innovators

Ulster Bank's partnership with Young Social Innovators (YSI) builds on our strong commitment to education, whilst also reflecting the bank's commitment to fostering innovation.

2017 was a fantastic year for our partnership. Through YSI thousands of students from across Ireland had the opportunity to identify social issues and learn how to use social innovation as a solution.

The main event of the year was the YSI awards ceremony, which saw 800 young people recognised for their achievements in tackling social issues within their communities. Eleven teams competed live at the event for the overall title-award. Over 7,000 young people took part in youth-led social innovation projects, bringing a wide range of issues to the forefront including human trafficking, farm safety, sexual consent, and mental health and wellbeing. The winning team's project "Mend a Mind – It's a Disorder Not a Decision" sought to raise awareness of the mental health issues facing young people both in their school and wider community.

Employee giving campaigns

Payroll Giving

We like to make it easier for our colleagues to contribute throughout the year to good causes in the communities where we live and work. The Staff Charity Fund offers all our employees the opportunity to make charitable donations through payroll deductions. The Fund is managed by a voluntary committee of colleagues and is a registered charity in its own right. To date the Fund has donated over €500,000 to charities across Ireland, covering homelessness, people with disabilities, victims of flooding and earthquake and much more.

Give a Day

To support our local communities, we introduced Give a Day – giving all of our colleagues three day's extra leave each year to volunteer with a local voluntary organisation, community group or charity. We want to make volunteering as easy as possible for everyone. This is also a great way for all our staff to use their specific skills to give back to their communities. In 2017, staff gave over 3,000 volunteering hours.

Community Cashback

In recognising the efforts of our colleagues as fundraisers or volunteer we make a difference to the local community organisations and charities that benefit from their time, skills and commitment through our Community Cashback Awards scheme.

Community Cashback Awards

For every €250 our colleagues raise, or every 80 hours they volunteer for a charity, they can apply for a Community Cashback award of the same amount, payable to their chosen charity.

In 2017, Irish charities received:

291
Cashback
awards

€72,750
in total

CPR

RBS committed to training over 40,000 colleagues in CPR, a target that was exceeded. The CPR kits are now available to communities across Ireland, and in Ulster Bank we joined with Irish Heart to try and create a nation of lifesavers.

Do Good Feel Good (DGFG)

In 2017, RBS launched their internal Do Good, Feel Good campaign, encouraging all staff to contribute to targets around volunteering, fundraising, CPR and MoneySense.

As part of the DGFG programme, we partnered with Irish Heart to support their stroke awareness campaign. DGFG in June gathered our people across Ireland to raise funds for Irish Heart. The largest event organised was a nationwide relay that joined every branch, business centre and office in Ireland as we cycled, ran or walked over 2,000km. Thanks to the efforts of all of our people, we were able to donate over €100,000 to Irish Heart in support of a very worthy cause! In 2018, we look forward to partnering with Special Olympics Ireland.

Ulster Bank

Ulster Bank Ireland DAC is a wholly owned subsidiary of RBS. We deliver our services via our network of branches and business centres, by telephone, online and through our mobile banking apps.

Our business consists of two customer-focused divisions – Retail Banking and Commercial Banking – together with a number of supporting functions. Our retail operation provides branch banking and direct banking services for personal and small business customers. The corporate and commercial operation provides treasury, money-market, asset financing and international services for business and corporate customers.

Increasingly we are leveraging the scale, capabilities and investment capacity of RBS to deliver a superior service proposition to our customers in Ireland. Coupled with investment in technology, brand and people, we remain at the forefront of Irish banking in a changing and competitive market.

Sustainability governance at Ulster Bank

Sustainability is central to all our decisions as a responsible business. Discussion of sustainability topics and decisions are addressed as part of our business as usual management and leadership meetings across the business. Progress and performance are reported and discussed at our Executive Committee and Board. We also align with the sustainability reporting framework in RBS, which is governed by the RBS Sustainable Banking Committee, a sub-committee of the RBS Board.

Additional Commitments

As a subsidiary of RBS we are also committed to a number of voluntary standards such as the Equator Principles, the UN Global Compact and the UN Environment Programme Finance Initiative (UNEPFI). Implementing these commitments is an ongoing process, and we are continuously working to integrate these into our core business decisions. Read more at: www.rbs.com/rbs/sustainability/sustainable-banking-at-rbs/external-commitments.html

More information on Ulster Bank's sustainability activities is available at: <https://digital.ulsterbank.ie/globals/about-us/corporate-sustainability.html>

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Business Working Responsibly

Ulster Bank was one of the first companies in Ireland to be accredited with the Business Working Responsibly Mark in 2014, the highest level of sustainability accreditation in Ireland awarded by Business in the Community. We continue to hold the Mark, which is independently audited on a three year cycle by the National Standards Authority of Ireland and based on the ISO 26000.