

Oireachtas Joint Committee on Finance, Public Expenditure and Reform, and Taoiseach

Opening Remarks – Eamonn Crowley, Chief Executive Permanent TSB

14th September 2022

Chairman, members of the Committee,

Thank you for inviting us to appear today. I am joined by Retail Banking Director Patrick Farrell.

When we met with the Committee in May, we outlined the five priorities we had set for the bank in the context of our own development and the unprecedented decision of two major banks leaving the market to ensure we can support colleagues and communities through this seismic change.

These priorities are:

- Safely integrating over €7.6 billion of mortgage home loans, business loans and credit facilities into our business
- Supporting customers in transferring their banking relationship to Permanent TSB in as smooth and straightforward a manner as possible
- Preserving jobs and welcoming over 400 new Ulster Bank colleagues to Permanent TSB
- Maintaining our support for local communities by enhancing our branch presence in 25 communities throughout the country, increasing our presence in close to 100 locations nationwide; and
- Continuing to serve and support hundreds of thousands of our existing customers and the provision of home loan mortgages and small business finance into the Irish economy.

I said then that in my mind, there were no more important priorities for Permanent TSB this year and that remains the case. I believe that even in the months since we last met we have made very significant progress in respect of these matters.

In recent weeks, we were delighted that the CCPC gave its approval for the transformative transaction which we negotiated with Ulster Bank under which over €7.6 billion of mortgage home loans, business loans and credit facilities will transfer to Permanent TSB providing vital continuity for tens of thousands of Ulster Bank customers and transforming Permanent TSB in the process. This was a critical milestone in the roadmap for the transaction and its completion means that we can move forward with confidence.

We are also delighted that in the past few weeks, colleagues in Ulster Bank have voted to support the terms which we agreed for their transfer to Permanent TSB and we are in advanced preparations now to welcome these new colleagues to our expanding team.

We are also busy making preparations to “on-board” 25 Ulster Bank branches to our network – strengthening our presence in communities across the country and providing further continuity to the thousands of customers in those locations. We are the only bank in Ireland which is growing its branch network and I think that speaks volumes about the importance we attach to this channel for our future success and for the continued service and support for customers.

And finally in the past few months we have made huge progress in attracting tens of thousands of current account customers from Ulster Bank, KBC and indeed from other banks, who want to move their business to us.

Our approach to this challenge is multi-faceted.

- We have created a user-friendly digital journey which enables customers to open a current account online in minutes, which is proving very successful.
- We have deployed mobile branches into communities where Ulster Bank branches in particular are scheduled to close and customers can come in and meet with our staff in these mobile branches and get personal support to help them move bank.
- We are opening Pop-Up branches in certain locations to support this effort.
- We have launched a Moving Bank Hub – a dedicated resource on our website to help people navigate the journey to switch bank.
- And we have also put feet on the ground – with Permanent TSB colleagues working directly in Ulster Bank branches to support customers looking to switch.

We believe we are now seeing real traction in this regard. We have opened over 70,000 current accounts year to date.

Like many other consumer services, our approach is to provide a blended range of products and services across both in person and online channels to ensure that we can adapt to the needs of our customers and wider society.

I have mentioned that we are on course to add 25 new Ulster Bank branches to our network as part of our deal with the departing bank.

And I know the topic of branches and the attitude of banks to their branches has become an important area of focus this summer.

For our part, we view branches primarily through our experience as a community bank with roots that stretch back to the building society and trustee savings bank movements of the early 1800s.

Although banking has changed a lot over that time, our purpose of building trust with our customers remains as important as ever. And ensuring that we continue to provide vital branch services for our customers is an essential part of earning that trust.

There's no doubt that retail banking in Ireland needs to evolve in line with customer needs, but in our view, that doesn't have to mean that branches should disappear, and our branch banking and in-person support remains an essential part of our vision for Permanent TSB in the years ahead.

For us, it's not an either/or situation when it comes to digital services and branches. It's about combining our physical and digital services to meet the different needs of our personal and business customers.

There isn't a 'one size fits all' solution as every customer is different and we are trying to deliver the best combination of all our channels – from Branch to Phone to App to Brokers - to support our customers individual needs.

And that is why we are investing in all of our channels, and expanding our branch network, as we see branches as a crucial part of our service channel mix and a key differentiator for us in this market.

We have invested approximately €25 million in our branch network over the past three years. This investment includes upgrading certain branches, increased customer training for branch staff and new technology.

Before I conclude I would like to set out our position on providing cash services through branches, as I know this has been the subject of considerable public debate recently.

Our position is that we look to match the services provided in each branch with local customer demand and transaction patterns.

Our in-branch cash services are provided in two forms. In [32] of our branches, we provide cashier-based over-the-counter cash services. This will increase as part of the Ulster Bank transaction.

In our remaining branches we provide automated cash lodgment and withdrawal facilities. These facilities offer full cash services for lodgments and withdrawals of notes, subject to a ceiling on daily withdrawals of €2,200, and they are supported by branch colleagues who can assist customers with using these facilities if required.

We have no plans to make any changes to our current model of providing cash services to customers.

Branches are a vital part of communities, the key to safeguarding their future is to give customers a reason to use them.

At a time when customers and public representatives such as yourselves may be considering what effect Ulster Bank and KBCs withdrawal will have on competition, we're saying that we're stepping up to support customers by providing vital services in communities across Ireland.

We are on course to become a bank with much greater scale and a much stronger competitive force, and I give you my commitment that we will continue to put customers' needs first.

That concludes my opening statement. Thank you Chairman.

Ends.