



Group Chair's statement



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It was a privilege to join the Board of NatWest Group at the start of 2024 and assume my role as Chair in April.

The bank that I inherited from my predecessor, Howard Davies, is consistently profitable, more customer-focused, and significantly stronger than the one he took on in 2015. We should not underestimate how much this bank has changed under his chairmanship. On behalf of the Board, I would like to thank Howard for his many years of dedicated service to the bank. Indeed, the strength of NatWest Group today is reflected in our performance at the year end, with an operating profit of £6.2 billion, and an attributable profit of £4.5 billion.

While Howard was faced with fixing the issues of the past, I have taken on the role of Chair with a mandate to help shape NatWest Group's future. Joining the bank in January 2024, my first and critical role in shaping our future was to work with the Board to appoint a permanent CEO. Following a rigorous and competitive search process, the Board agreed that Paul Thwaite was the outstanding candidate for the role.

The banking sector is evolving rapidly and, as a Board, we believe Paul has the skills to succeed in this changing landscape and, importantly, to make the most of the opportunities it presents.

I spent much of 2024 getting to know the business. I firmly believe the strengths we have today are the foundation for our future success: we have a clear business model with our leading customer segments, and importantly, deep-rooted local connections in communities across all nations and regions of the UK.

Throughout 2024, I had the opportunity to travel and meet some of our customers and colleagues in different parts of the country, as well as internationally. I have seen firsthand the energy and enthusiasm that our colleagues have for supporting our customers and the communities we serve.

I have met teams in our Accelerator Hubs helping entrepreneurs to scale, as well as commercial and corporate managers who are lending to help businesses to grow and export, bringing positive impacts to local economies. Our colleagues' knowledge and expertise also support international customers who are looking to set up and establish operations in the UK.

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To fully capitalise on these opportunities, we are becoming a simpler, better integrated and more technology-enabled NatWest Group – with the agility and flexibility to serve our customers how, when and where they want.

At a time when competition is coming from all corners, this focus is paramount. From our incumbent peers, to US investment banks offering competitive products to UK consumers, as well as challenger banks and fintechs, customers have more choice than ever before about who they bank with.

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Our ability to keep up with the ever-evolving external landscape depends on us having the right technology available. The Board visited our strategic hubs in Gurugram and Bengaluru in India in spring 2024 and met some of the colleagues who are building the capabilities we need to make sure we can meet the expectations of our customers while increasing our productivity.

To support this change, the Board and management have spent a lot of time thinking not only about our strategy, but also about our culture. For over a decade the bank has been in recovery mode, and if we are to seize the opportunity in front of us, we need to operate as a more dynamic and less bureaucratic business. This includes decentralising accountabilities to liberate the talent of our frontline colleagues and will require intelligent risk taking, with the ambition of driving disciplined growth, and ensuring our customers get the best possible outcomes.

With the input of colleagues across NatWest Group, we have also evolved our purpose to become ‘the bank that turns possibilities into progress’. Being a trusted partner who understands our customers' needs and ambitions, and helps them make progress towards their goals is at the heart of our strategy. Our purpose now reflects



Group Chair's statement continued

this positive role we play as a bank for our customers, and in turn, the communities we serve.

Elsewhere, our Group Performance and Remuneration Committee has worked hard in 2024 on our directors' remuneration policy, which – to align to our strategy – is grounded in rewarding performance. The detail of this is set out within the Governance and remuneration section of this report on pages 126 to 162.

Delivering for our shareholders

Our strategy has been delivering consistently for our shareholders. We saw strong share price performance through 2024, with growth of 83.3% over the year. Our tangible net asset value rose consistently during 2024 – supported by strong earnings growth and a significant reduction in share count following two successful directed buybacks and completion of a further on-market buyback programme.

For 2024, we announced £4.0 billion of capital returned to shareholders, including an interim dividend of £500 million and a proposed final dividend of £1.2 billion.

As a result of the regulator changing the Listing rules in the summer, we were able to complete two directed buybacks from the UK Government in a year for the first time: the first in May 2024 of £1.2 billion; and the second in November 2024 of £1 billion. Additionally, in February 2024, we completed the £300 million on-market buyback announced at full year 2023.

We have been pleased with the pace of the sell-down of the government's shareholding in 2024, from around 38% in December 2023 to just 9.99% in December 2024, and welcomed the clarity that the new government gave on its intentions to divest its remaining shares in the bank by 2025/26.

With the progress that was made in 2024, we expect that the government will cease to be a shareholder in 2025. As a Board we would like to thank them for their continued support. The return of the bank to private ownership is in the interest of all of our shareholders and will be a symbolic moment for the bank. The progress towards the bank's return to privatisation in 2024 has also helped us to attract new global investors who share our growth ambitions.

Looking ahead, in the absence of any major geopolitical and economic disruption, the macroeconomic backdrop in which we and our customers operate is expected to be one with lower inflation, a lower bank rate and a renewed national focus on growth.

Our ambitions are aligned with the new government's growth agenda. For this agenda to succeed, it must be delivered in collaboration with the private sector, in particular with banks like NatWest Group that play a vital role in the lives of our customers and the UK economy.

Board appointments

As a Board, we welcomed Geeta Gopalan as an independent non-executive director on 1 July 2024, as part of the continued evolution of the Board's composition. Geeta brings with her substantial financial and banking expertise, combined with a strong track record as a plc non-executive director.

Outside the reporting period, in January 2025, we welcomed Gill Whitehead to the Board. Gill's deep expertise in data science and analytics, emerging customer-focused technologies, global technology regulation and digital transformation are all highly relevant skills as we look to shape the future of NatWest Group.

In July 2024, we announced that Mark Seligman, non-executive director and Senior Independent Director, will retire from the Board on 31 March 2025. I would like to take the opportunity to thank Mark Seligman for his significant contribution to the Board and its committees since his appointment in April 2017. During his tenure, Mark has dedicated significant time to NatWest Group and has been a highly valued director and colleague.

I was pleased we announced in December 2024 that Lena Wilson, independent non-executive director, will assume the role of Senior Independent Director from 1 April 2025. Lena is a highly experienced Board member who has demonstrated strong leadership and is highly regarded by her fellow directors. She will continue to chair the Group Performance and Remuneration Committee.

Finally, Jan Cargill retires from her role as Chief Governance Officer and Company Secretary in February 2025. Jan joined NatWest Group in 1989 as a graduate and was appointed to her current role in 2019.

On behalf of my fellow directors, I would like to extend our thanks to Jan for her long service with the bank. I am personally grateful for her advice and support since joining the Board in 2024 and in my transition into the role of Chair, and wish her the best for her well-deserved retirement.

The Board was pleased to announce the appointment of Gary Moore as the new Group Chief Governance Officer and Company Secretary at the end of 2024. Gary, a qualified solicitor who joined NatWest Group in 2010, has significant experience of board-level governance, as well as legal and regulatory compliance, so is well-placed to support the Board and executive team.

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I would like to thank the Board and all of our colleagues for their hard work and the support they have given to our customers in 2024.

Their focus is key to our success, and has been recognised through our bonus pool and Sharing in Success scheme, the latter of which paid out for the first time in 2024. As a result of this scheme, almost 60,000 colleagues received NatWest Group shares in 2024.

Our business is strong and has momentum behind it. The expected return of NatWest Group to private ownership in 2025 will signal a new, forward-looking chapter in the bank's story as we shape our future.

Rick Haythornthwaite
Chair