

## Group Chief Executive's review



# Accelerating from a position of strength

NatWest Group delivered another strong year in 2025, rooted in our support for people, families and businesses in every nation and region of the UK.

We increased our customer base by around a million customers, grew our profit before tax to £7.7 billion, and delivered a Return on Tangible Equity (RoTE) of 19.2%, while strong capital generation and distributions came from increased profitability and disciplined balance sheet and risk management. What matters most, however, is what sits behind these results: the trust our customers place in us every day; the commitment of our colleagues; and our responsibility to create sustainable value for our shareholders.

2025 also marked a symbolic milestone as we returned to full private ownership, offering an opportunity to reflect on how far the bank has come. Looking ahead, we have renewed confidence in what we can achieve for NatWest Group, our shareholders, and as a trusted partner to our customers and the wider UK economy.

I'm proud to have led this bank over the past two years. In this time, we've moved decisively: we've sharpened our customer focus; simplified the organisation; accelerated our technology strategy; and invested with intent in our future. These choices are now translating into robust performance and clear momentum across NatWest Group.

We start 2026 from a position of strength. That strength gives us the confidence to raise our ambition and accelerate our progress – so we can go further to win together with our customers, colleagues, shareholders and the communities we are proud to serve across the UK.

## Succeeding with customers

### Disciplined growth

All three of our customer businesses – Retail Banking, Private Banking & Wealth Management, and Commercial & Institutional – delivered broad-based growth in 2025, with more customers choosing to bank with us. We now serve over 20 million people, families and businesses across the UK – acting as a trusted partner to help meet their ambitions.

We supported more customers to manage their money with confidence, with deposit growth in all three business segments totalling £10.4 billion across NatWest Group in 2025. And, with saving and investing increasingly part of the national conversation, more than 50,000 customers invested with us for the first time, benefiting from the expert advice of our wealth management teams and ease of our digital offer. This helped us to grow assets under management and administration by 20%.

We also supported customers through key life events, such as helping more than 200,000 new customers to buy or remortgage a home in 2025 – up 18% on 2024 – and empowered more families to build healthy financial habits through our youth proposition, Rooster Money, which now serves 15 times more customers than when we acquired it in 2021.

Our success reflects our ability to anticipate and respond to changing customer needs, with the right services and innovative propositions. For personal customers, our Family-Backed Mortgage addresses the real challenge of affordability for many people and allows family members to help first-time buyers while preserving independent ownership. This contributed to our increased support for first-time buyers, helping over 50,000 customers get onto the housing ladder in 2025.

## Group Chief Executive's review continued

Strong organic growth was complemented by the successful integration of around one million Sainsbury's Bank customers and the £2.3 billion Metro Bank mortgage portfolio – demonstrating our integration capability and, most importantly, creating the opportunity to deepen relationships with new customers.

As the UK's biggest bank for business, we support 1.5 million companies, from sole-traders to multinational corporates. With a leading share of UK start-ups, and the largest presence in the mid-market sector, we're uniquely positioned to partner businesses at every stage of their growth.

We helped more of our business customers to scale and grow, with lending across Commercial & Institutional up around 10% in 2025, compared with 2024. By supporting UK businesses, we're also helping to deliver key economic priorities for the UK. In 2025, we were the leading lender to UK infrastructure, and we expanded our support to social housing and sustainable finance – helping to strengthen communities and underpin long-term growth.

In an increasingly volatile market, we've helped more businesses manage their risk effectively by making it easier to access our foreign exchange (FX) and international payment services through faster onboarding and a simpler digital experience, with over 130 currencies now supported. Improvements in our offer meant around 700 mid-market businesses used the service for the first time in 2025.

We also helped more high-potential firms to grow with access to our innovative intellectual property-backed lending. Around 50% of the completed IP-backed loans were with customers new to NatWest Group, demonstrating the opportunity open to us when we pair our expertise with a distinctive customer proposition.

## A simpler bank

Today, NatWest Group is a simpler bank. It is less complex, with transformed capabilities and the right building blocks to scale and adapt efficiently as customer expectations evolve.

The technology foundations across our estate have effectively been rebuilt and this investment has increased our agility and strengthened resilience. We have decommissioned legacy platforms and advanced our data transformation at pace. In Private Banking & Wealth Management, we have migrated our engineering operations from Switzerland to the UK and India, creating the capacity to scale. For our Commercial & Institutional customers, the re-platforming of Bankline (our digital channel for mid-market and corporate customers) has created a more connected experience and allows us to provide more services digitally in one place. Building a single trusted view of our customers is enabling us to offer a more personalised service, faster decision-making and more intelligent risk management across the bank.

To drive delivery across the bank, we have rapidly scaled our in-house engineering team and opened a new hub in Bengaluru, India. We are now innovating faster and have almost halved the time it takes to deploy new features, compared with 2024 – making banking quicker, easier and safer for customers.

Strategic partnerships with global technology leaders, including AWS, OpenAI and Google, have helped us to accelerate and scale our technology strategy, and in turn, increase productivity. In addition, our newly established AI Research Office is at the forefront of cutting-edge research, leading responsible innovation and building further AI capabilities for the bank. Our investment in our FinTech Growth Programme has also significantly strengthened our innovation pipeline. These initiatives give us early access to new and emerging technologies.

By providing all colleagues with AI tools to support their daily work, we have freed up capacity to better meet customers' immediate needs and understand their future requirements.

## A trusted partner for UK growth

2025 was a year of macroeconomic uncertainty, with international and domestic events affecting customers in different ways. Despite the volatility, we remained cautiously optimistic about the outlook with several factors reinforcing this measured optimism: the UK economy has continued to grow; unemployment remains low by historical standards; inflation is moving in broadly the right direction; and, on aggregate, households and businesses continue to hold relatively robust savings buffers.

This economic resilience was reflected in the healthy levels of customer activity during 2025. Housing market activity remained robust, with mortgage volume growth across the sector supported by temporary changes to stamp duty thresholds in the first half of the year. Retail sales volumes returned to positive year-over-year growth after a challenging few years and discretionary spending picked up in areas such as travel and hospitality. Businesses continued to invest for the future, and UK exports increased despite headwinds. Taken together, these are encouraging signals that the underlying conditions for growth remain in place.

We strongly believe in the UK's long-term potential. The UK Government has positioned the financial services sector as central to its growth strategy and to the UK's strength on the global stage. The UK has world-class universities and innovation clusters, leading scientific research, deep capital markets and highly skilled people – the potential of which can be unlocked through an internationally competitive banking sector.

Strong economies need strong banks. But our role goes well beyond lending: it demands our deep expertise; our convening power across sectors and regions; and our ability to connect capital with opportunity. I have seen the impact we can deliver for our customers and communities across the UK. For example, start-ups participating in our free Accelerator community grow their turnover 35% more on

average than peers; and the expertise of our colleagues is building financial confidence at scale – our NatWest Thrive and Financial Foundations programmes reached more than one million people in 2025, providing financial education in the places where people live, learn and work.

In March 2025, we brought together our first Mid-Market Growth Council to provide a unified voice and to advocate for the often-overlooked mid-sized business sector, helping to unlock their significant growth potential. Our research found that just 1% growth in this segment could add £35 billion to the UK economy, with £24 billion of that outside the south-east of England.

Our commitment to sustainable growth is rooted in our purpose, with the aim of delivering positive impact through our core activity as a bank. By turning our customers' possibilities into progress we can help build better, more resilient businesses, and support people and families to manage their money, save and invest for the future.

The conditions for growth will be built further by a stable and proportionate regulatory and policy environment. The UK Government's focus on balanced regulation which promotes competition and growth, as well as managing risk and consumer protection, is a welcome step forward. We have already seen tangible change in targeted areas. For example, the adjustment to mortgage rules enabled us to lend more to first-time buyers, and we have committed to grow our support in 2026, with a further £10 billion of lending.

As we look ahead to 2026, further regulatory review could unlock additional customer benefits and UK growth opportunities; for example, the ongoing Advice Guidance Boundary Review should help to make financial advice more accessible, and the Prudential Regulation Authority's review of its rules on ring-fencing has the potential to create greater capital capacity for the banking sector to support growth.

## Group Chief Executive's review continued

### Raising our ambition

Our progress has been significant, and it is clear our strategy is working for both our customers and our shareholders. But success today does not guarantee success tomorrow.

Our sector is evolving at pace, with customer expectations increasing, technology redefining what 'best in class' looks like, and competition more intense than ever. Against this backdrop, we are sharpening our strategic focus around disciplined growth, leveraging simplification, and active balance sheet and risk management to drive sustainable value creation.

It is our consistent delivery and the inherent strengths of this bank that give us confidence we can go further and faster in this next phase. Our conviction stems from the enduring strength of our customer relationships and is built on our key differentiators. Deep community roots, expert colleagues, and a UK-wide relationship manager network mean we are connected to our customers in their communities. These strengths, underpinned by technology and the scale of our customer insight, give us real competitive advantage.

Customer growth comes from being first choice in the moments that matter: helping families with everyday banking and home ownership; supporting affluent and high-net worth customers to manage and grow their wealth; and backing high-growth businesses, whether they are start-ups or those with global ambitions.

Our recently announced acquisition of Evelyn Partners will create the UK's leading private bank and wealth management business. Not only does this build scale and strength in our Private Banking & Wealth Management business, but it will transform the services our customers across NatWest Group can expect from us. Evelyn Partners brings leading investment capabilities, a quality direct-to-customer investment platform in Bestinvest – and the biggest in-house team of financial planners in the UK, as well as a strong regional footprint – helping us to better support and serve customers through each stage of their financial lives.

We're also building and deepening our customer relationships with more personalised, relevant experiences, propositions and partnerships. For example, our specialist Venture Banking support has been carefully designed to help boost the UK's innovation economy and our newly announced strategic partnership with Rightmove will help ensure we're there at the right time, as a trusted partner when customers are making key financial decisions.

### Leveraging simplification

The next phase of our simplification sees us move from 'build' to 'benefits', leveraging the investment we've made in our infrastructure and capabilities to deliver customer growth and even greater productivity.

In a highly competitive environment, future strength will be decided by how seamlessly a bank operates in service of its customers. Harnessed correctly, technological advancement and AI can be a game-changing accelerant, reducing complexity and removing bureaucracy to help make decisions faster, deepen relationships and deliver transformed customer experiences.

Trust, however, remains the keystone of banking. As technology accelerates, we are focused on keeping customers safe, protecting them from new and emerging risks, and leading in the responsible and ethical use of data and AI.

To realise our ambition, it's essential we drive active balance sheet and risk management. We are bringing more dynamism to how we manage pricing, capital and risk, ensuring we remain resilient through cycles – a safe, secure and dependable partner for customers, while sustaining attractive returns.

### Customer success

We want to be known not only for the quality of our service and the strength of our technology platforms, but also for the depth of our relationships and expertise of our people. As trusted partners, we are empowering our front-line colleagues to use their insights to

make the right decisions for customers and orientating the whole organisation around our customers' needs: measuring all colleagues' success by the quality of our customers' experiences.

The stretching targets we have set for growth, productivity and returns reflect our belief that in pursuing these priorities we will create sustainable shareholder value. For customers, the prize is a bank that feels effortless, with connected, intelligent and personalised services available whenever and however they choose.

→ [Read more on our Strategy on pages 15 to 20.](#)

→ [Read more on our approach to sustainability on pages 39 to 72.](#)

### Looking ahead

Our progress and strengthened position are thanks to the hard work and dedication of our colleagues across the UK and internationally.

While we have momentum across NatWest Group, there is no room for complacency. Banking moves quickly, and customer expectations move faster still.

We've built the foundations and capabilities to both anticipate change and respond at pace. All this is done in service of our customers, deepening trust and relationships. We can further accelerate our growth potential using the full strength of NatWest Group – using the expertise and connections across our three businesses to build even stronger customer relationships, deliver sustainable returns and make a meaningful contribution to the UK economy.

### Paul Thwaite

Group Chief Executive Officer

## Outlook<sup>(1)</sup>

Based on our current macroeconomic assumptions,

### In 2026<sup>(2)</sup> we expect:

- Total income excluding notable items in the range of £17.2-17.6 billion.
- Operating expenses, excluding litigation and conduct costs, around £8.2 billion.
- Loan impairment rate below 25 basis points.
- Return on Tangible Equity greater than 17%.
- Capital generation pre-distributions around 200 basis points.

### In 2028 we expect:

- Customer assets and liabilities<sup>(3)</sup> to grow at a compound annual rate of greater than 4% from the end 2025 to end 2028.
- Cost:income ratio, excluding litigation and conduct costs, below 45%.
- Return on Tangible Equity greater than 18%.
- Capital generation pre-distributions greater than 200 basis points.

### Capital

- We now target a CET1 ratio of around 13.0%.
- We continue to expect to pay ordinary dividends of around 50% of attributable profit and will consider buybacks as appropriate.
- We expect Basel 3.1 to increase RWAs by around £10 billion on 1 January 2027.

(1) The guidance, targets, expectations, and trends discussed in this section represent NatWest Group plc management's current expectations and are subject to change, including as a result of the factors described in the Risk Factors section. These statements constitute forward-looking statements. Refer to Forward-looking statements in this report.

(2) Excludes the impact of the Evelyn Partners acquisition.

(3) Customer assets and liabilities (CAL) includes customer deposits, gross loans to customers and AUMA across three businesses Retail Banking, Private Banking & Wealth Management, and Commercial & Institutional. Investment cash is deducted as it is reported within customer deposits and AUMA.