NatWest Group Manchester office, Spinningfields

Financial review

Group Chief financial officer's review

Delivering a strong performance

'We delivered a strong performance in 2025 with total income excluding notable items of £16.4 billion exceeding our strengthened Q3 2025 guidance. We remained focused on cost discipline, achieving our cost target and with further progress made on simplification. The balance sheet has continued to grow over 2025 and our CET1 ratio for 2025 was within our guided range at 14.0%.'

Strong 2025 financial performance across growth and simplification

We are growing in ways that build and strengthen customer relationships and improve the sustainability of our earnings.

Total income of £16.6 billion increased by 13.2% compared with 2024. Total income excluding notable items was £1.8 billion higher than 2024 reflecting deposit margin expansion, as a result of higher customer balances and strong hedge income, increased customer lending, strong AUMA growth and an increase in FX trading revenue. Full year 2025 net interest margin (NIM) increased by 21 basis points in the year to 2.34%. We would expect total structural hedge income to increase by around £1.5 billion in 2026 compared with 2025 and by a further £1 billion in 2027.[1]

We continued to support our customers as net loans to customers excluding central items increased by £20.7 billion in the year. Retail Banking mortgage balances increased by £5.1 billion and Commercial & Institutional balances were up by £12.3 billion.

Customer deposits excluding central items increased £10.4 billion during 2025 to £441.7 billion primarily reflecting £7.8 billion growth in Retail Banking, across Savings and Current accounts, and Commercial & Institutional increased by £2.3 billion largely due to higher balances within Corporate & Institutions and Business Banking. Total business term balances increased to 17% in Q4 2025 compared to 16% of the book at the end of 2024.

AUMA of £58.5 billion increased by £9.6 billion in 2025, reflecting AUM net flows of £3.1 billion, AUA net flows of £0.9 billion, Cushon net flows of £0.6 billion and positive market movements of £5.0 billion.

We continued to make good progress on becoming a simpler, more agile and technology driven bank by delivering efficiencies from our investment programmes, digitising more to deliver faster, simpler, and safer customer journeys and accelerating AI and data transformation.

Total operating expenses were £113 million higher than 2024. Other operating expenses were £241 million, or 3.1%, higher and in line with our guidance. In the year we recognised higher costs of transformation, increased reward through pay and bonus while we also combatted other inflationary pressures. Partially offsetting this we have continued to drive underlying cost savings (delivered through branch transformation and digitisation), further cost reductions as a result of the phased withdrawal from the Republic of Ireland, lower restructuring costs and reduced Bank levies.

We continue to proactively manage risk

A net impairment charge of £671 million, or 16 basis points of gross customer loans, included a charge on the acquisition of balances from Sainsbury's Bank, higher Stage 3 charges and lower good book releases than the prior year.

Compared with 2024, our ECL provision increased £0.2 billion to £3.6 billion and our ECL coverage ratio remained stable at 0.83%. We retain post model adjustments of £296 million and remain comfortable with the strong credit performance of our diversified prime loan book.

Active balance sheet management supporting robust liquidity levels

RWAs increased by £10.1 billion during 2025 to £193.3 billion principally reflecting franchise lending growth of £10.9 billion, operational risk of £3.8 billion, including an acceleration of c.£1.6 billion from Q1 2026 to align with market practice, £1.3 billion in relation to the balances acquired from Sainsbury's Bank and an increase of £7.3 billion relating to CRD IV models partially offset by a further £10.9 billion benefit from RWA management actions as we continued to actively manage our balance sheet and create capacity for lending growth.

The average LCR of 147%, representing £50.5 billion headroom above 100% minimum requirement, decreased by 4 percentage points during the year, primarily driven by increased lending partially offset by deposit growth. Our primary liquidity decreased by £3.8 billion to £157.3 billion, of which £81.1 billion, or 52% was cash and balances at central banks.

Shareholder return supported strong capital generation

A final dividend of 23.0 pence per share is proposed, bringing the total for the year to 32.5 pence, up 51% compared to 2024, and we intend to commence a share buyback programme of £750 million in the first half of 2026, taking total distributions deducted from capital in the year to £4.1 billion.

The CET1 ratio of 14.0% increased c.40 basis points in 2025 and included capital generation pre-distributions of 252 basis points, comprising c.300 basis points of profit and c.40 basis points of other capital movements partially offset by the increase in RWAs, c.90 basis points.

Katie Murray
Group Chief Financial Officer

(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.

Financial summary

	Year ended or as at		
	2025	2024	Variance
Performance key metrics and ratios			
Total income	**£16,641m**	£14,703m	13.2%
Notable items within total income (1)	**£241m**	£55m	nm
Total income excluding notable items (1)	**£16,400m**	£14,648m	12.0%
Net interest margin (1)	**2.34%**	2.13%	21bps
Average interest earning assets (1)	**£547bn**	£529bn	3.4%
Cost:income ratio (excl. litigation and conduct) (1)	**48.6%**	53.4%	(4.8%)
Loan impairment rate (1)	**16bps**	9bps	7bps
Profit attributable to ordinary shareholders	**£5,479m**	£4,519m	21.2%
Total earnings per share attributable to ordinary shareholders – basic	**68.0p**	53.5p	14.5p
Return on Tangible Equity (RoTE) (1)	**19.2%**	17.5%	1.7%
Climate and transition finance (2)	**£19,026m**	na	na
Balance sheet			
Total assets	**£714.6bn**	£708.0bn	0.9%
Loans to customers – amortised cost	**£418.9bn**	£400.3bn	4.6%
Loans to customers excluding central items (1,3)	**£389.2bn**	£368.5bn	5.6%
Loans to customers and banks – amortised cost and FVOCI	**£429.9bn**	£410.2bn	4.8%
Total impairment provisions (4)	**£3.6bn**	£3.4bn	5.9%
Expected credit loss (ECL) coverage ratio	**0.83%**	0.83%	-
Assets under management and administration (AUMA) (1)	**£58.5bn**	£48.9bn	19.6%
Customer deposits	**£443.0bn**	£433.5bn	2.2%
Customer deposits excluding central items (1,3)	**£441.7bn**	£431.3bn	2.4%
Customer assets and liabilities (CAL) (1)	**£891.7bn**	£850.9bn	4.8%

nm = not meaningful, na = not applicable

	Year ended or as at		
	2025	2024	Variance
Liquidity and funding			
Average Liquidity Coverage Ratio (LCR) (5)	**147%**	151%	(4%)
Liquidity portfolio	**£238bn**	£222bn	7.2%
Average Net Stable Funding Ratio (NSFR) (5)	**135%**	137%	(2%)
Loan:deposit ratio (excl. repos and reverse repos) (1)	**88%**	85%	3%
Total wholesale funding	**£88bn**	£86bn	2.3%
Short-term wholesale funding	**£28bn**	£33bn	(15.2%)
Capital and leverage			
Common Equity Tier 1 (CET1) ratio (6)	**14.0%**	13.6%	40bps
Total capital ratio (6)	**19.3%**	19.7%	(40bps)
Pro forma CET1 ratio (excl. foreseeable items) (7)	**15.4%**	14.3%	110bps
Risk-weighted assets (RWAs)	**£193.3bn**	£183.2bn	5.5%
UK leverage ratio	**4.8%**	5.0%	(0.2%)
Tangible net asset value (TNAV) per ordinary share (1,8)	**384p**	329p	55p
Number of ordinary shares in issue (millions) (8)	**7,995**	8,043	(0.6%)

(1) Refer to the Non-IFRS financial measures appendix for details of the basis of preparation and reconciliation of non-IFRS financial measures and performance metrics.
(2) Climate and transition finance represents only a relatively small proportion of our overall financing and facilitation activities. For further details refer to the NatWest Group plc 2025 Climate Transition Plan Report.
(3) Central items includes treasury repo activity.
(4) Includes £0.1 billion relating to off-balance sheet exposures (31 December 2024 – £0.1 billion).
(5) Reported on an average basis in line with supervisory guidelines. The LCR is calculated as the average of the preceding 12 months. The NSFR is calculated as the average of the preceding four quarters.
(6) Refer to the Capital, liquidity and funding risk section for details of the basis of preparation.
(7) The pro forma CET1 ratio at 31 December 2025 excludes foreseeable items of £2,758 million: £1,837 million for ordinary dividends and £921 million foreseeable charges (31 December 2024 excludes foreseeable items of £1,249 million for ordinary dividends).
(8) The number of ordinary shares in issue excludes own shares held.

Financial summary continued

Income – continuing operations

	2025	2024	Variance	
	£m	£m	£m	%
Interest receivable (1)	**25,698**	25,187	511	2.0
Interest payable (1)	**(12,869)**	(13,912)	1,043	(7.5)
Net interest income	**12,829**	11,275	1,554	13.8
Net fees and commissions	**2,514**	2,467	47	1.9
Income from trading activities	**1,112**	825	287	34.8
Other operating income	**186**	136	50	36.8
Non-interest income	**3,812**	3,428	384	11.2
Total income	**16,641**	14,703	1,938	13.2
Total income excluding notable items	**16,400**	14,648	1,752	12.0

Notable items within total income	2025	2024
Commercial & Institutional		
Own credit adjustments (OCA)	**1**	(9)
Dividend received on restructuring of a strategic investment	**51**	-
Central items & other		
Share of gains of associate - Business Growth Fund	**70**	21
Interest and foreign exchange management derivatives not in hedge accounting relationships	**185**	150
Foreign exchange recycling losses	**(27)**	(76)
Loss on reclassification to disposal groups under IFRS 5	**(39)**	-
Tax interest on prior periods	**-**	(31)
	241	55

nm = not meaningful
(1) Interest receivable and interest payable on trading assets and liabilities are included in income from trading activities.

- Total income increased by 13.2% to £16,641 million compared with 2024. Total income excluding notable items was £16,400 million, or 12.0%, higher than 2024 driven by deposit margin expansion, as a result of higher customer balances and strong hedge income, increased customer lending, strong AUMA growth and an increase in FX trading revenue. As a result, net interest margin (NIM) of 2.34% was 21 basis points higher than 2024.
- Interest receivable increased by £511 million compared with 2024 primarily due to higher income on our structural hedge partially offset by the impact of lower rates on our lending book and loans to banks. The decrease in interest payable largely reflects the impact of the reduction in interest rates over the period.
- Net interest income was £1,554 million higher than 2024 benefitting from customer lending growth, deposit margin expansion and customer balance growth.
- Net fees and commissions increased £47 million to £2,514 million compared with 2024 largely due to higher AUMA investment fee income and transactional fees including some non-repeatable adjustments in Private Banking & Wealth Management. In addition, Retail Banking net fees and commission were higher, in part reflecting the impact of balances acquired from Sainsbury's Bank. Commercial & Institutional net fees and commissions were lower due to reduced customer lending volumes and lower Asset Finance operating lease fees.
- Income from trading activities of £1,112 million increased £287 million, or 34.8%, primarily reflecting income on economic swaps and foreign exchange swaps, and strong customer activity in markets trading.
- Other operating income was £50 million higher for the year principally reflecting higher Business Growth Fund gains, lower foreign exchange recycling losses, a dividend received on restructuring of a strategic investment partially offset by a loss related to Cushon on reclassification to disposal groups.

Financial summary continued

Operating expenses – continuing operations

	2025	2024	Variance	
	£m	£m	£m	%
Staff expenses	**4,110**	3,997	113	2.8
Premises and equipment	**1,285**	1,211	74	6.1
Other administrative expenses	**1,546**	1,588	(42)	(2.6)
Depreciation and amortisation	**1,154**	1,058	96	9.1
Other operating expenses	**8,095**	7,854	241	3.1
Litigation and conduct costs	**167**	295	(128)	(43.4)
Operating expenses	**8,262**	8,149	113	1.4

- Staff expenses were £113 million, or 2.8%, higher than 2024 primarily due to investment in our people through increased pay and bonus rewards, driven by continued strong performance. This was partially offset by lower restructuring costs and continued simplification and digitisation.
- Premises and equipment costs of £1,285 million were £74 million higher than 2024 primarily due to contract price inflation and continued growth in cloud utilisation, partly offset by lower cost of utilities.
- Other administrative expenses decreased £42 million in 2025 driven by costs incurred on the cancelled Retail share offering in 2024, reduced Republic of Ireland costs due to continued phased withdrawal and a decrease in the Bank levy, and other one-offs, all partly offset by one-time integration costs of balances acquired from Sainsbury's Bank.
- Depreciation and amortisation of £1,154 million was £96 million higher than 2024 as we continue to invest in our growth and simplification opportunities which include data transformation to unlock the full potential of AI.
- Litigation and conduct costs of £167 million represent the net impact of a number of remediation and litigation matters concluding, including existing customer redress programme costs paid during the year. Refer to Note 20 and 25 to the Consolidated financial statements for additional information on other litigation and conduct matters.

Tax – continuing operations

	2025	2024
	£m	£m
Tax charge	**(1,874)**	(1,465)
UK corporation tax rate	**25.0%**	25.0%
Effective tax rate	**24.3%**	23.7%

A tax charge of £1,874 million for the year ended 31 December 2025 arises rather than the expected charge of £1,927 million based on the UK corporation tax rate of 25%. The lower tax charge primarily reflects tax credits for AT1 dividends and the re-recognition of previously impaired deferred tax assets on brought forward tax losses in the UK and the Netherlands. These have been partially offset by the UK banking surcharge and various other non-tax deductible expenses. Refer to Note 7 to the consolidated financial statements for further details.

Impairments – continuing operations

	2025	2024	Variance	
	£m	£m	£m	%
Loans - amortised cost and FVOCI	**429,916**	410,225	19,691	4.8
ECL provisions	**3,585**	3,425	160	4.7
ECL provisions coverage ratio	**0.83%**	0.83%	-	-
Impairment (releases)/losses				
ECL charge (1)	**671**	359	312	86.9
Amounts written off	**579**	654	(75)	(11.5)

(1) The table above summarises loans and related credit impairment measured on an IFRS 9 basis. Refer to Credit Risk – Banking activities in the Risk and capital management section for further details.

Compared with 2024, our ECL provision increased £0.2 billion to £3.6 billion and our ECL coverage ratio remained stable at 0.83%. We retain post model adjustments of £296 million and remain comfortable with the strong credit performance of our diversified prime loan book.

A net impairment charge of £671 million, or 16 basis points of gross customer loans, included an £81 million charge on the acquisition of balances from Sainsbury's Bank, higher Stage 3 charges and lower good book releases than the prior year.

Profit for the year

	2025	2024	Variance	
	£m	£m	£m	%
Operating profit before tax	**7,708**	6,195	1,513	24.4
Tax charge	**(1,874)**	(1,465)	(409)	27.9
Profit from continuing operations	**5,834**	4,730	1,104	23.3
Profit from discontinued operations, net of tax	**-**	81	(81)	100.0
Profit for the year	**5,834**	4,811	1,023	21.3
Attributable to:				
Ordinary shareholders	**5,479**	4,519	960	21.2
Paid-in equity holders	**352**	283	69	24.4
Non-controlling interests	**3**	9	(6)	nm

nm = not meaningful

Profit attributable to ordinary shareholders of £5,479 million was £960 million, or 21.2%, higher than 2024 primarily due to higher income, driven by deposit margin expansion, customer lending and AUMA growth, partially offset with higher costs largely attributable to inflationary pressures and integration costs alongside a higher impairment charge and tax charge.

Financial summary continued

Summary consolidated balance sheet as at 31 December 2025

	2025 £m	2024 £m	Variance £m	Variance %
Assets				
Cash and balances at central banks	**85,182**	92,994	(7,812)	(8)
Trading assets	**46,537**	48,917	(2,380)	(5)
Derivatives	**60,789**	78,406	(17,617)	(22)
Settlement balances	**645**	2,085	(1,440)	(69)
Loans to banks - amortised cost	**6,958**	6,030	928	15
Loans to customers - amortised cost	**418,881**	400,326	18,555	5
Other financial assets	**79,770**	63,243	16,527	26
Other assets (including intangible assets)	**15,791**	15,984	(193)	(1)
Total assets	**714,553**	707,985	6,568	1
Liabilities				
Bank deposits	**44,092**	31,452	12,640	40
Customer deposits	**442,998**	433,490	9,508	2
Settlement balances	**942**	1,729	(787)	(46)
Trading liabilities	**49,022**	54,714	(5,692)	(10)
Derivatives	**53,974**	72,082	(18,108)	(25)
Other financial liabilities	**67,599**	61,087	6,512	11
Subordinated liabilities	**6,123**	6,136	(13)	(0)
Notes in circulation	**3,164**	3,316	(152)	(5)
Other liabilities	**4,026**	4,601	(575)	(12)
Total liabilities	**671,940**	668,607	3,333	0
Total equity	**42,613**	39,378	3,235	8
Total liabilities and equity	**714,553**	707,985	6,568	1
Tangible net asset value per ordinary share (1,2)	**384p**	329p	55p	17%

(1) Tangible net asset value per ordinary share is tangible equity divided by the number of ordinary shares.
(2) Refer to the Non-IFRS financial measures appendix for details of the basis of preparation and reconciliation of non-IFRS financial measures and performance metrics.

- TNAV per share increased by 55 pence in the year to 384 pence primarily reflecting the attributable profit for the period offset by the impact of distributions. The balance sheet growth was driven by customer lending, while customer deposits increased driven by current account and savings balances predominantly in Retail Banking and in Private Banking & Wealth Management.
- Total assets of £714.6 billion as at 31 December 2025 increased by £6.6 billion, 1%, compared with 31 December 2024. This was primarily driven by increases in loans to customers and other financial assets partially offset by a decrease in derivative assets and cash and balances at central banks.
- Cash and balances at central banks decreased by £7.8 billion mainly due to large-scale bond purchases and dividends paid partially offset by increased repo activity.
- Other financial assets increased by £16.5 billion mainly because of net bonds activity of £13.1 billion and an increase in Commercial & Institutional, £3.7 billion largely driven by an increase in bonds held in the liquid asset buffer.
- Derivative assets and derivative liabilities were down by £17.6 billion and £18.1 billion respectively. The decreases in fair values largely reflected FX volatility across major currencies including the weakening of USD in the year, following contrasting trends in Q4 2024, and variations in interest rates across different currencies and tenors.
- Total loans to customers increased by £18.6 billion to £418.9 billion, primarily reflecting £12.3 billion growth in Commercial & Institutional attributable to growth in Corporate & Institutional and Commercial Mid-market offset by UK Government scheme repayments, and a £7.7 billion increase in Retail Banking largely driven by higher mortgage, cards and personal advance balances. This is offset by a decrease in Treasury of £2.3 billion mainly due to lower reverse repos
- Total loans to banks increased by £0.9 billion, 15%, to £7.0 billion due to increased Treasury reverse repo balances.
- Customer deposits increased by £9.5 billion primarily reflecting a £7.8 billion increase in Retail Banking due to growth in savings and current account balances, supported by balances acquired from Sainsbury's Bank.
- Bank deposits increased by £12.6 billion mainly due to higher repo activity.
- Other financial liabilities, which includes customer deposits at fair value through profit and loss and debt securities in issue, increased by £6.5 billion, to £67.6 billion.
- Other liabilities decreased by £0.6 billion, 12%, to £4.0 billion mainly due to lower financial guarantees and provision utilisations.
- Total equity increased by £3.2 billion, 8%, to £42.6 billion, driven by higher profit for the year of £5.8 billion offset by dividends paid of £2.0 billion and shares repurchased in the year of £0.6 billion.

Segment performance

2025	Retail Banking £m	Private Banking & Wealth Management £m	Commercial & Institutional £m	Central items & other £m	Total NatWest Group £m
Continuing operations					
Income statement					
Net interest income	6,064	757	6,149	(141)	12,829
Own credit adjustments	-	-	1	-	1
Other non-interest income	431	374	2,659	347	3,811
Total income	6,495	1,131	8,809	206	16,641
Direct expenses	(835)	(250)	(1,633)	(5,377)	(8,095)
Indirect expenses	(2,087)	(475)	(2,714)	5,276	-
Other operating expenses	(2,922)	(725)	(4,347)	(101)	(8,095)
Litigation and conduct costs	(15)	(2)	(173)	23	(167)
Operating expenses	(2,937)	(727)	(4,520)	(78)	(8,262)
Operating profit before impairment losses/releases	3,558	404	4,289	128	8,379
Impairment (losses)/releases	(437)	(10)	(225)	1	(671)
Operating profit	3,121	394	4,064	129	7,708
Total income excluding notable items (1)	6,495	1,131	8,757	17	16,400
Additional information					
Return on Tangible Equity (1)	na	na	na	na	19.2%
Return on equity (1,2)	24.7%	21.7%	19.1%	nm	na
Cost:income ratio (excl. litigation and conduct) (1)	45.0%	64.1%	49.3%	nm	48.6%
Net loans to customers - amortised cost (£bn)	216.1	18.9	154.2	29.7	418.9
Loan impairment rate (1)	20bps	5bps	14bps	nm	16bps
Impairment provisions (£bn)	(1.8)	(0.1)	(1.7)	-	(3.6)
Impairment provisions - Stage 3 (£bn)	(1.1)	(0.1)	(1.0)	-	(2.2)
Customer deposits (£bn)	202.6	42.7	196.4	1.3	443.0
Risk-weighted assets (RWAs) (£bn)	68.5	11.4	111.9	1.5	193.3
Customer assets and liabilities (CAL) (£bn) (1)	420.5	119.0	352.2	na	891.7
Employee numbers (FTEs - thousands)	11.5	2.1	12.3	32.8	58.7
Third party customer asset rate (1)	4.36%	4.72%	5.94%	nm	nm
Third party customer funding rate (1)	(1.74%)	(2.68%)	(1.55%)	nm	nm
Average interest earning assets (£bn) (1)	230.9	28.8	259.4	nm	547.4
Net interest margin (1)	2.63%	2.63%	2.37%	nm	2.34%

nm = not meaningful, na = not applicable.
For the notes to this table, refer to the following page.

Segment performance continued

2024	Retail Banking £m	Private Banking & Wealth Management £m	Commercial & Institutional £m	Central items & other £m	Total NatWest Group £m
Continuing operations					
Income statement					
Net interest income	5,233	645	5,339	58	11,275
Own credit adjustments	-	-	(9)	-	(9)
Other non-interest income	417	324	2,627	69	3,437
Total income	5,650	969	7,957	127	14,703
Direct expenses	(777)	(255)	(1,537)	(5,285)	(7,854)
Indirect expenses	(2,050)	(458)	(2,581)	5,089	-
Other operating expenses	(2,827)	(713)	(4,118)	(196)	(7,854)
Litigation and conduct costs	(110)	(3)	(156)	(26)	(295)
Operating expenses	(2,937)	(716)	(4,274)	(222)	(8,149)
Operating profit before impairment losses/releases	2,713	253	3,683	(95)	6,554
Impairment (losses)/releases	(282)	11	(98)	10	(359)
Operating profit/(loss)	2,431	264	3,585	(85)	6,195
Total income excluding notable items (1)	5,650	969	7,966	63	14,648
Additional information					
Return on Tangible Equity (1)	na	na	na	na	17.5%
Return on equity (1,2)	19.9%	14.2%	17.2%	nm	na
Cost:income ratio (excl. litigation and conduct) (1)	50.0%	73.6%	51.8%	nm	53.4%
Net loans to customers - amortised cost (£bn)	208.4	18.2	141.9	31.8	400.3
Loan impairment rate (1)	13bps	(6bps)	7bps	nm	9bps
Impairment provisions (£bn)	(1.8)	(0.1)	(1.5)	-	(3.4)
Impairment provisions - Stage 3 (£bn)	(1.1)	-	(0.9)	-	(2.0)
Customer deposits (£bn)	194.8	42.4	194.1	2.2	433.5
Risk-weighted assets (RWAs) (£bn)	65.5	11.0	104.7	2.0	183.2
Customer assets and liabilities (CAL) (£bn) (1)	404.9	108.5	337.5	na	850.9
Employee numbers (FTEs - thousands)	12.0	2.1	12.8	32.3	59.2
Third party customer asset rate (1)	4.02%	5.05%	6.64%	nm	nm
Third party customer funding rate (1)	(2.05%)	(3.13%)	(1.90%)	nm	nm
Average interest earning assets (£bn) (1)	222.0	26.9	246.8	nm	529.3
Net interest margin (1)	2.36%	2.40%	2.16%	nm	2.13%

nm = not meaningful, na = not applicable.

(1) Refer to the Non-IFRS financial measures appendix for details of the basis of preparation and reconciliation of non-IFRS financial measures and performance metrics.
(2) NatWest Group's CET1 target is in the range of 13-14% but for the purposes of computing segmental return on equity (ROE), to better reflect the differential drivers of capital usage, segmental operating profit or loss adjusted for preference share dividends and tax, is divided by average notional tangible equity allocated at different rates of 12.8% for Retail Banking (2024 – 13.4%), 11.1% for Private Banking & Wealth Management (2024 – 11.2%), and 13.9% for Commercial & Institutional (2024 – 13.8%), of the period average of segmental risk-weighted assets equivalents (RWAe) incorporating the effect of capital deductions.

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Segment performance continued

Retail Banking

Income statement	2025 £m	2024 £m	Variance £m	Variance %
Net interest income	**6,064**	5,233	831	15.9%
Non-interest income	**431**	417	14	3.4%
Total income	**6,495**	5,650	845	15.0%
Other operating expenses	**(2,922)**	(2,827)	(95)	3.4%
Litigation and conduct costs	**(15)**	(110)	95	(86.4%)
Operating expenses	**(2,937)**	(2,937)	-	-
Impairment losses	**(437)**	(282)	(155)	55.0%
Operating profit	**3,121**	2,431	690	28.4%

Performance ratios (1)	2025	2024	Variance
Return on equity	**24.7%**	19.9%	4.8%
Net interest margin	**2.63%**	2.36%	27bps
Cost:income ratio (excl. litigation and conduct)	**45.0%**	50.0%	(5.0%)
Loan impairment rate	**20bps**	13bps	7bps

Capital and balance sheet	2025 £bn	2024 £bn	Variance £bn	Variance %
Loans to customers (amortised cost)				
- personal advances	**9.4**	8.1	1.3	16.0%
- mortgages	**200.1**	195.0	5.1	2.6%
- cards	**8.4**	7.0	1.4	20.0%
Total loans to customers (amortised cost)	**217.9**	210.1	7.8	3.7%
Loan impairment provisions	**(1.8)**	(1.7)	(0.1)	5.9%
Net loans to customers (amortised cost)	**216.1**	208.4	7.7	3.7%
Total assets	**240.3**	232.8	7.5	3.2%
Customer deposits	**202.6**	194.8	7.8	4.0%
Customer assets and liabilities (CAL) (1)	**420.5**	404.9	15.6	3.9%
Risk-weighted assets	**68.5**	65.5	3.0	4.6%

In 2025, Retail Banking delivered an operating profit of £3.1 billion and a return on equity of 24.7%, with positive income and net interest margin momentum. We support 19 million customers, including 2.4 million youth customers, along with 529,000 customers within our Premier segment where we have a NPS of 44. We helped more customers achieve their home ownership goals with around 30% of 2025 gross mortgage lending supporting first-time buyers and around £300 million of lending through our Family-Backed Mortgage proposition. We continue to simplify the business and improve customer and colleague experiences. New AI capabilities enabled quicker responses to customer complaints, saving around 90,000 hours per annum through automated summarisation and AI-generated complaint responses.

Retail Banking provided £2.6 billion of climate and transition finance[(2)] in 2025 from lending on properties with an EPC rating of A or B.

- Total income was £845 million, or 15.0%, higher than 2024 reflecting strong deposit growth and margin expansion as a result of increased hedge income, lending growth and the impact of balances acquired from Sainsbury's Bank.
- Net interest margin was 27 basis points higher than 2024 largely reflecting the factors noted above.
- Non-interest income of £431 million was £14 million, or 3.4%, higher than 2024 including the impact of balances acquired from Sainsbury's Bank.
- Other operating expenses were £95 million, or 3.4%, higher than 2024 reflecting costs associated with balances acquired from Sainsbury's Bank, partially offset by a 4.2% reduction in headcount.
- An impairment charge of £437 million, compared with a £282 million charge in 2024, largely driven by charges associated with balances acquired from Sainsbury's Bank along with increased charges driven by growth in our unsecured book. The rate of Stage 3 default flow remains broadly stable.
- Net loans to customers increased by £7.7 billion, or 3.7%, in 2025 driven by £5.1 billion, or 2.6%, higher mortgage balances. Cards balances increased by £1.4 billion, or 20.0%, and personal advances increased by £1.3 billion, or 16.0%, supported by balances acquired from Sainsbury's Bank.
- Customer deposits increased by £7.8 billion, or 4.0%, in 2025 reflecting growth in savings and current account balances, supported by balances acquired from Sainsbury's Bank.
- RWAs increased by £3.0 billion, or 4.6%, in 2025 primarily due to book movements including the impact of unsecured balances acquired from Sainsbury's Bank.

(1) Refer to the Non-IFRS financial measures appendix for details of basis of preparation and reconciliation of non-IFRS financial measures and performance metrics.
(2) Climate and transition finance represents only a relatively small proportion of our overall financing and facilitation activities.

Segment performance continued

Private Banking & Wealth Management

	2025	2024	Variance	
Income statement	**£m**	£m	£m	%
Net interest income	**757**	645	112	17.4%
Non-interest income	**374**	324	50	15.4%
Total income	**1,131**	969	162	16.7%
of which: AUMA income (1)	***300***	*270*	*30*	*11.1%*
Other operating expenses	**(725)**	(713)	(12)	1.7%
Litigation and conduct costs	**(2)**	(3)	1	(33.3%)
Operating expenses	**(727)**	(716)	(11)	1.5%
Impairment (losses)/releases	**(10)**	11	(21)	(190.9%)
Operating profit	**394**	264	130	49.2%

Performance ratios (1)			
Return on equity	**21.7%**	14.2%	7.5%
Net interest margin	**2.63%**	2.40%	23bps
Cost:income ratio (excl. litigation and conduct)	**64.1%**	73.6%	(9.5%)
Loan impairment rate	**5bps**	(6bps)	11bps
AUMA net flows (£bn)	**4.6**	3.2	1.4

	2025	2024	Variance	
Capital and balance sheet	**£bn**	£bn	£bn	%
Loans to customers (amortised cost)				
- personal	**2.0**	1.7	0.3	17.6%
- mortgages	**12.0**	12.0	-	-
- other	**5.0**	4.6	0.4	8.7%
Total loans to customers (amortised cost)	**19.0**	18.3	0.7	3.8%
Loan impairment provisions	**(0.1)**	(0.1)	-	-
Net loans to customers (amortised cost)	**18.9**	18.2	0.7	3.8%
Total assets	**30.5**	28.6	1.9	6.6%
Assets under management (AUM) (1)	**43.7**	37.0	6.7	18.1%
Assets under administration (AUA) (1)	**14.8**	11.9	2.9	24.4%
Total assets under management and administration (AUMA) (1)	**58.5**	48.9	9.6	19.6%
Customer deposits	**42.7**	42.4	0.3	0.7%
Loan:deposit ratio (excl. repos and reverse repos) (1)	**44%**	43%	1%	2.3%
Customer assets and liabilities (CAL) (1,2)	**119.0**	108.5	10.5	9.7%
Risk-weighted assets	**11.4**	11.0	0.4	3.6%

In 2025, Private Banking & Wealth Management delivered an operating profit of £394 million and return on equity of 21.7%. As part of our strategy to deepen focus on high net worth and ultra-high net worth segments, we refreshed our visual identity and enhanced our investment insight, including a new Coutts website which delivers a faster and more responsive experience. AI tooling has reduced call summarisation time by more than 70% and we have continued to see strong customer engagement across our propositions, resulting in an increase in CAL of 9.7% in the year with growth in deposits, lending and AUMA.

Private Banking & Wealth Management provided £0.2 billion of climate and transition finance[3] in 2025, principally in relation to mortgages on residential properties with an EPC rating of A or B and wholesale transactions.

- Total income was £162 million, or 16.7%, higher than 2024 primarily reflecting deposit margin expansion as a result of strong hedge income, balance growth across deposits and AUMA, and higher transactional fees including some non-repeatable adjustments.
- Net interest margin was 23 basis points higher than 2024 largely reflecting the factors noted above.
- Non-interest income of £374 million was £50 million, or 15.4%, higher than 2024 principally due to higher AUMA balances and higher transactional fees including some non-repeatable adjustments.
- Other operating expenses were £12 million, or 1.7%, higher reflecting continuing investment in the business and higher pay awards to support our colleagues, partly offset by lower severance costs.
- An impairment charge of £10 million, compared with an £11 million release in 2024, largely reflecting the non-repeat of 2024 good book releases, and an increase in Stage 3 charges relating to existing exposures.
- Net loans to customers increased £0.7 billion, or 3.8%, in 2025 largely driven by higher personal lending balances and higher commercial lending balances.
- Customer deposits increased by £0.3 billion, or 0.7%, in 2025 reflecting growth in current account and savings balances, with progress driven by both deeper engagement with existing customers and new customer acquisition.
- AUMA of £58.5 billion increased by £9.6 billion in 2025, reflecting AUM net flows of £3.1 billion, AUA net flows of £0.9 billion, Cushon net flows of £0.6 billion and positive market movements of £5.0 billion. AUM net flows as a percentage of opening balances are 8.4%.

(1) Refer to the Non-IFRS financial measures appendix for details of basis of preparation and reconciliation of non-IFRS financial measures and performance metrics.
(2) CAL refers to customer deposits, gross loans to customers – amortised cost and AUMA. To avoid double counting, investment cash is deducted as it is reported within customer deposits and AUMA.
(3) Climate and transition finance represents only a relatively small proportion of our overall financing and facilitation activities.

Segment performance continued

Commercial & Institutional

Income statement	2025 £m	2024 £m	Variance £m	Variance %
Net interest income	**6,149**	5,339	810	15.2%
Non-interest income	**2,660**	2,618	42	1.6%
Total income	**8,809**	7,957	852	10.7%
Other operating expenses	**(4,347)**	(4,118)	(229)	5.6%
Litigation and conduct costs	**(173)**	(156)	(17)	10.9%
Operating expenses	**(4,520)**	(4,274)	(246)	5.8%
Impairment losses	**(225)**	(98)	(127)	129.6%
Operating profit	**4,064**	3,585	479	13.4%

Performance ratios (1)	2025	2024	Variance
Return on equity	**19.1%**	17.2%	1.9%
Net interest margin	**2.37%**	2.16%	21bps
Cost:income ratio (excl. litigation and conduct)	**49.3%**	51.8%	(2.5%)
Loan impairment rate	**14bps**	7bps	7bps

Capital and balance sheet	2025 £bn	2024 £bn	Variance £bn	Variance %
Loans to customers (amortised cost)				
- Business Banking	**3.5**	3.6	(0.1)	(2.8%)
- Commercial Mid-market	**77.7**	74.0	3.7	5.0%
- Corporate & Institutions	**74.6**	65.8	8.8	13.4%
Total loans to customers (amortised cost)	**155.8**	143.4	12.4	8.6%
Loan impairment provisions	**(1.6)**	(1.5)	(0.1)	6.7%
Net loans to customers (amortised cost)	**154.2**	141.9	12.3	8.7%
Total assets	**391.9**	398.7	(6.8)	(1.7%)
Funded assets	**331.4**	321.6	9.8	3.0%
Customer deposits (3)	**196.4**	194.1	2.3	1.2%
Loan:deposit ratio (excl. repos and reverse repos) (1)	**77%**	72%	5%	6.9%
Customer assets and liabilities (CAL) (1)	**352.2**	337.5	14.7	4.4%
Risk-weighted assets	**111.9**	104.7	7.2	6.9%

During 2025, Commercial & Institutional continued to support customers with an increase in lending of 8.7% and delivered a strong performance in income and operating profit supporting a return on equity of 19.1%, an increase from 17.2% in 2024. We worked with our customers to unlock growth for key structural and policy priorities in the UK, particularly social housing and infrastructure investment. In 2025, we committed over £4.6 billion of lending into the UK social housing sector, surpassing our upgraded target of £7.5 billion by the end of 2026, with total commitments of £8.7 billion. We prioritised the use of generative AI through AI-driven transcription and summarisation of complaints and complex business banking calls, increasing our relationship managers' capacity to focus on personalised AI-guided interactions.

Commercial & Institutional provided £16.2 billion of climate and transition finance[(2)] in 2025 to support customers investing in the transition to net zero.

- Total income was £852 million, or 10.7%, higher than 2024 principally reflecting deposit margin expansion as a result of higher customer balances and strong hedge income, increased FX trading revenues and lending growth across Corporate & Institutions and Commercial Mid-market.
- Net interest margin was 21 basis points higher than 2024 largely reflecting deposit margin expansion.
- Non-interest income was £42 million, or 1.6%, higher than 2024 principally driven by customer activity in markets trading and a dividend received on restructuring of a strategic investment in Corporate & Institutions.
- Other operating expenses were £229 million, or 5.6%, higher than 2024 reflecting the impact of inflationary increases in staff costs and continued business investment spend, partially offset by a 3.9 % reduction in headcount.
- An impairment charge of £225 million in 2025, compared with a £98 million charge in 2024, reflecting lower good book releases. Stage 3 charge remains broadly stable.
- Net loans to customers increased by £12.3 billion, or 8.7%, in 2025 principally due to growth in Corporate & Institutions and Commercial Mid-market, partly offset by UK Government scheme repayments of £1.6 billion.
- Customer deposits increased by £2.3 billion, or 1.2%, in 2025 reflecting growth within Corporate & Institutions and Business Banking. Excluding client transfers, deposit balances in all customer groups grew in the year. [(3)]
- RWAs increased by £7.2 billion, or 6.9%, compared with 2024 primarily due to CRD IV, other regulatory increases and increased operational risk, with book growth offset by continued RWA management activity.

(1) Refer to the Non-IFRS financial measures appendix for details of basis of preparation and reconciliation of non-IFRS financial measures and performance metrics.
(2) Climate and transition finance represents only a relatively small proportion of our overall financing and facilitation activities.
(3) Client transfers from Commercial Mid-market to Corporate & Institutions were undertaken in Q1 2025 of £4.9 billion. Balance at the end of Q4 2025 was £2.7 billion (Q4 2024 - £3.3 billion).

Segment performance continued

Central items & other

Income statement - continuing operations	2025 £m	2024 £m	Variance £m	Variance %
Total income	**206**	127	79	62.2%
Operating expenses	**(78)**	(222)	144	(64.9%)
of which: Other operating expenses	**(101)**	(196)	95	(48.5%)
Impairment releases	**1**	10	(9)	(90.0%)
Operating profit/(loss)	**129**	(85)	214	nm

- Total income was £79 million higher than 2024 primarily reflecting higher gains on interest and FX risk management derivatives not in accounting hedge relationships, higher Business Growth Fund profits and lower foreign exchange recycling losses.
- Other operating expenses were £95 million lower than 2024 primarily due to lower costs in relation to our withdrawal from our operations in the Republic of Ireland.

Capital and balance sheet	2025 £bn	2024 £bn	Variance £bn	Variance %
Net loans to customers (amortised cost)	**29.7**	31.8	(2.1)	(6.6%)
Customer deposits	**1.3**	2.2	(0.9)	(40.9%)
Risk-weighted assets	**1.5**	2.0	(0.5)	(25.0%)

- Net loans to customers decreased by £2.1 billion in 2025 driven by reverse repo activity in Treasury.
- Customer deposits decreased by £0.9 billion compared with 2024 reflecting repo activity in Treasury.

Summary financial statements

Summary consolidated income statement

For the year ended 31 December 2025

	2025 £m	2024 £m	2023 £m
Net interest income	**12,829**	11,275	11,049
Non-interest income	**3,812**	3,428	3,703
Total income	**16,641**	14,703	14,752
Operating expenses	**(8,262)**	(8,149)	(7,996)
Profit before impairment losses	**8,379**	6,554	6,756
Impairment losses	**(671)**	(359)	(578)
Operating profit before tax	**7,708**	6,195	6,178
Tax charge	**(1,874)**	(1,465)	(1,434)
Profit from continuing operations	**5,834**	4,730	4,744
Profit/(loss) from discontinued operations, net of tax	**-**	81	(112)
Profit for the year	**5,834**	4,811	4,632
Attributable to:			
Ordinary shareholders	**5,479**	4,519	4,394
Paid-in equity holders	**352**	283	242
Non-controlling interests	**3**	9	(4)
	5,834	4,811	4,632

Summary consolidated balance sheet

As at 31 December 2025

	2025 £m	2024 £m	2023 £m
Cash and balances at central banks	**85,182**	92,994	104,262
Trading assets	**46,537**	48,917	45,551
Derivatives	**60,789**	78,406	78,904
Settlement balances	**645**	2,085	7,231
Loans to banks and customers - amortised cost	**425,839**	406,356	388,347
Other financial assets	**79,770**	63,243	51,102
Other and intangible assets	**15,791**	15,984	17,276
Total assets	**714,553**	707,985	692,673
Deposits	**487,090**	464,942	453,567
Trading liabilities	**49,022**	54,714	53,636
Settlement balances, derivatives, other financial liabilities and subordinated liabilities	**128,638**	141,034	139,843
Other liabilities	**4,026**	4,601	5,202
Owners' equity	**42,599**	39,350	37,157
Notes in circulation	**3,164**	3,316	3,237
Non-controlling interests	**14**	28	31
Total liabilities and equity	**714,553**	707,985	692,673

NatWest Group's financial statements are prepared in accordance with UK adopted International Accounting Standards (IAS), and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).