S&P Global Ratings

RatingsDirect®

NatWest Group PLC

June 4, 2026

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Ratings Score Snapshot

SACP: a

Anchor	bbb+	
Business position	Strong	1
Capital and earnings	Strong	1
Risk position	Adequate	0
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

Support: +1

ALAC support	1
GRE support	0
Group support	0
Sovereign support	0

Additional factors: 0

Issuer credit rating
A+/Stable/A-1
Resolution counterparty rating
AA-/--/A-1+
Holding company ICR
A-/Stable/A-2

The issuer credit rating and resolution counterparty rating apply to core operating subsidiaries including National Westminster Bank Plc. NatWest Group PLC is the group nonoperating holding company rated one notch below the Group SACP. ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
A market leader in U.K. retail and corporate banking.	Geographic concentration in the U.K.
Strong earnings generation with a material revenue tailwind from the structural hedging program.	The U.K. has subdued economic growth and a constrained fiscal position.
Sound capital, funding, and liquidity profiles.	

NatWest's deep U.K. franchise, strong earnings, and disciplined balance sheet underpin our ratings. Its focused strategy emphasizes sustainable asset growth, operational simplification and digitization, and a cautious risk appetite, which contribute to significant financial resilience.

NatWest's medium-term guidance indicates strengthening earnings and a lower regulatory capital target. It aims for a return on tangible equity (RoTE) above 18% and more than 200 basis points (bps) of common equity Tier 1 (CET1) capital generation in 2028. These ambitions align with our expectation that NatWest will remain among the best performing banks in its peer group. Its updated CET1 ratio target of around 13% implies that our risk-adjusted capital (RAC) ratio will remain modestly above our 10% threshold (see "NatWest Group PLC Ratings Affirmed On Strengthening Earnings And Lower Capital Target; Outlook Stable," Feb. 13, 2026).

The pending acquisition of Evelyn Partners will bolster NatWest's position in the fragmented U.K. wealth management market. The transaction is expensive but will add material capability and scale to NatWest's wealth proposition. In addition, it will increase fee and commission income and provide greater support to revenue when the structural hedge tailwind eventually wanes (see "Bulletin: NatWest's Agreed Acquisition Of Evelyn Partners Will Build Its Wealth Management Franchise," Feb. 9, 2026).

We think NatWest is well placed to withstand economic and geopolitical uncertainty. It has low direct exposure to countries and markets affected by the Middle East war, and downside risks mostly arise through second-round effects on the U.K. economy (see "Economic Outlook Europe Q2 2026: Global Shock Leaves Recovery Uncertain," March 25, 2026). Marginal borrowers could struggle to service their debt, but we do not expect a material change in arrears or credit losses. Furthermore, NatWest's net interest margin (NIM) should benefit from higher-for-longer interest rates.

Outlook

The stable outlook indicates that we expect NatWest to maintain a robust credit profile over our two-year horizon. We expect our RAC ratio will fall to 10.0%-10.5% and NatWest will maintain risk-adjusted profitability on a par with the best-performing peers. We think its risk appetite and asset quality will remain resilient, with impairment charges about 20-25 bps of customer loans, and it will maintain solid funding and liquidity profiles. We also anticipate that it will integrate the acquired Evelyn Partners business effectively.

Downside scenario

We could lower the ratings on the nonoperating holding company if our RAC ratio appears likely to fall below our 10% threshold with no mitigating factors to underpin NatWest's credit profile at the current level. We could also lower the ratings if macroeconomic pressures and geopolitical uncertainties are likely to challenge asset quality and earnings significantly.

The issuer credit ratings on the operating subsidiaries are unlikely to change if we lower the long-term rating on the holding company by one notch. This is because additional loss-absorbing capacity (ALAC) uplift in the long-term ratings on the subsidiaries would likely increase to two notches in this scenario.

Upside scenario

We are unlikely to take a positive rating action on NatWest over the outlook horizon.

Key Metrics

NatWest Group PLC--Key ratios and forecasts

	--Fiscal year ended Dec. 31--				
(%)	2024a	2025a	2026f	2027f	2028f
Growth in operating revenue	-0.7	13.6	7.5-9.0	6.0-7.5	3.5-5.0
Growth in customer loans	2.4	5.0	3.5-4.5	3.5-4.5	3.5-4.5
Net interest income/average earning assets (NIM)	2.2	2.4	2.4-2.6	2.5-2.7	2.5-2.7
Cost-to-income ratio	53.5	48.6	45-48	44-47	43-46
Return on average common equity	12.6	14.2	13.5-14.5	14.0-15.0	14.5-16.0
New loan loss provisions/average customer loans	0.1	0.2	0.15-0.25	0.2-0.3	0.2-0.3
Gross nonperforming assets/customer loans	1.7	1.3	1.4-1.5	1.6-1.7	1.5-1.6
Risk-adjusted capital ratio	9.2	10.9	10.0-10.5	10.0-10.5	10.0-10.5

All figures include S&P Global Ratings' adjustments. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: 'bbb+' Reflecting NatWest's Domestic Focus

Our banking industry country risk assessment (BICRA) economic risk and industry risk scores determine the anchor. The weighted-average economic risk score for NatWest is close to the '3' score for the U.K. because the bank's credit exposures are dominated by its domestic market. The industry risk score is based solely on its home country.

The U.K. economy remains subdued, characterized by sluggish growth and productivity. The Middle East war has pushed up inflation and interest rate expectations and lowered economic growth forecasts, and persistent geopolitical uncertainty could amplify these trends. However, the U.K. economy entered this period with low unemployment, solid credit demand, and stable corporate asset quality, which provide breathing space for banks and underpin our stable BICRA economic risk trend.

The BICRA industry risk trend is also stable. The U.K. banking system benefits from a well-developed regulatory framework and banks have material financial flexibility. Even as global economic uncertainty persists, earnings should continue to be supported by growing NIMs, controlled costs, and an affordable uptick in credit losses. Banks maintain stable funding and liquidity positions, with manageable wholesale funding needs.

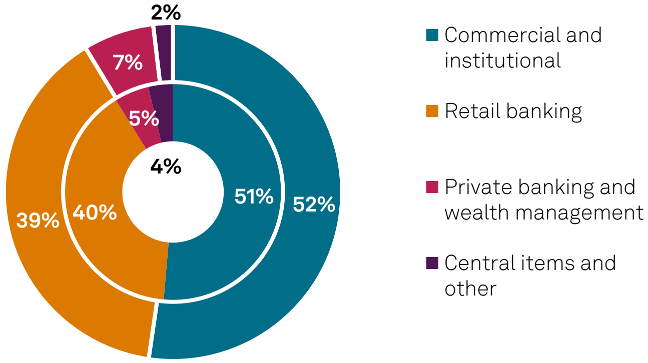
Business Position: A Leading Competitor Across U.K. Banking Services

NatWest operates across U.K. retail, commercial, and private banking. It is the market leader in the corporate segment and a key competitor in retail banking, where it has 10%-15% market share in its main product lines. These two divisions contribute the majority of earnings and revenue (see chart 1). NatWest is also a leading provider of private banking services through its Coutts subsidiary. Geographically, NatWest focuses almost entirely on the U.K. but operates branches and subsidiaries in selected international markets to facilitate client access. Its expansion strategy is primarily organic, and it has completed selective bolt-on acquisitions to accelerate growth in target areas, including the May 2025 purchase of unsecured credit and deposit portfolios from Sainsbury's Bank and the agreed acquisition of Evelyn Partners.

Chart 1

NatWest is well diversified between commercial and retail banking

Revenue (outer ring) and pretax profit (inner ring) by division in the 12 months to March 31, 2026



Source: NatWest.

The addition of Evelyn Partners will broaden and deepen NatWest's wealth management proposition. Scheduled to complete in the second quarter of 2026, the transaction prices Evelyn Partners at an enterprise value of £2.7 billion. NatWest's existing private banking and wealth management division is stronger in banking products than investment services, and Evelyn Partners will add greater investment capability and more than double the division's assets under management and administration. Like many wealth management acquisitions, the Evelyn Partners transaction is expensive, but it significantly accelerates NatWest's strategic growth ambitions in that market and NatWest expects it will be RoTE-accretive in the first year of ownership.

NatWest targets franchise growth on both sides of the balance sheet. It aims to increase customer balances (comprising loans, deposits, and assets under management and administration) by a compound annual growth rate above 4% in 2026-2028. In our view, this implies that it will at least maintain market share in key product segments.

NatWest maintains a strong focus on operating efficiency. Its technology initiatives seek to simplify and digitize its customer-facing and internal processes, improve its operational resilience, and realize cost efficiencies. It intends to invest further in its technology architecture in 2026-2028, including artificial intelligence, to support growth, productivity, and differentiated customer propositions. It aims to lower the cost-to-income ratio below 45% in 2028 from 48.6% in 2025.

Rating peers are other well-performing, similarly-rated national champions that focus on domestic retail and commercial banking. These include close competitor Lloyds Banking Group PLC and international peers Danske Bank A/S, Erste Group Bank AG, ING Groep N.V., Intesa Sanpaolo S.p.A., KBC Group N.V., Skandinaviska Enskilda Banken AB, and U.S. Bancorp.

Capital And Earnings: Strong Profitability And Solid Risk-Adjusted Capitalization

NatWest's updated CET1 target implies our RAC ratio will settle modestly above our 10% threshold. We expect our RAC ratio will be 10.0%-10.5% at year-end 2028, down from 10.9% at year-end 2025 as the bank transitions to its updated regulatory capital target.

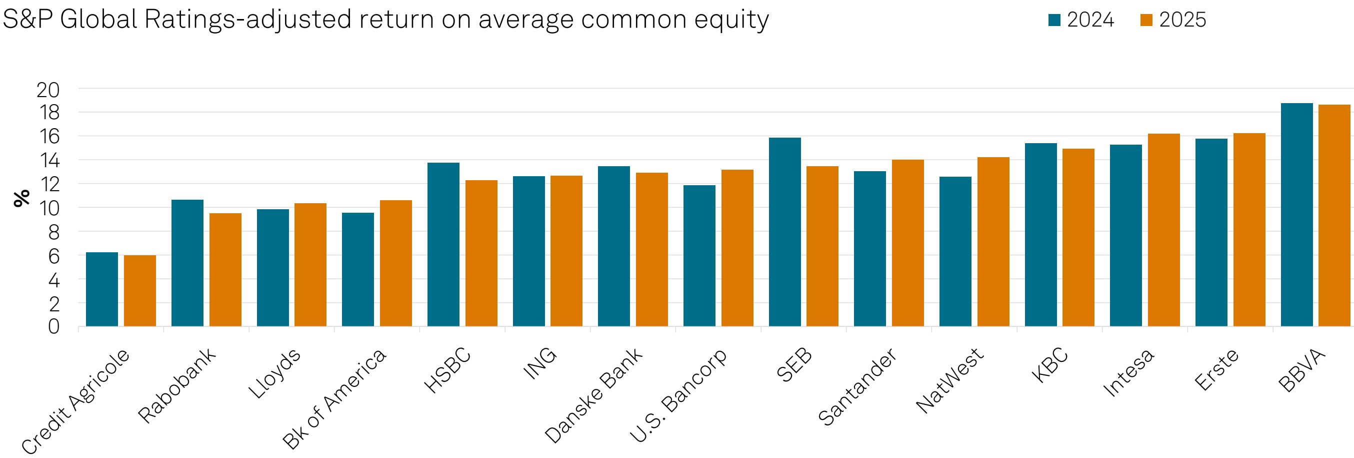
NatWest intends to maintain its CET1 ratio around 13%. The ratio was 14.3% on March 31, 2026, and we think it will fall to about 13% upon completion of the Evelyn Partners acquisition, since the vast majority of the purchase price will be goodwill. NatWest has postponed share buybacks until the first half of 2027 to support the CET1 ratio following the transaction. The 11.6% minimum regulatory CET1 requirement as of March 31, 2026, is likely to decline modestly from January 2027 as the Pillar 2A buffer declines following Basel 3.1 implementation. NatWest expects that Basel 3.1 will inflate its regulatory risk-weighted assets (RWAs) by about £10 billion (5%) in January 2027, which does not affect our RWA measure or the RAC ratio. In July 2026, the Bank of England is expected to announce the results of its capital requirements review, which focuses on leverage ratio requirements, interactions between regulatory capital buffers, and the overall usability of these buffers.

NatWest's earnings prospects are on a par with other high performing banks. Its 18.2% reported RoTE in the first quarter of 2026 followed 19.2% in the 2025 full year (17.9% excluding nonrecurring revenue and tax items). Management anticipates a RoTE above 17% in 2026 and above 18% in 2028, with capital generation growing from about 200 bps in 2026 to more than 200 bps in 2028. We think these targets are achievable and NatWest's performance will continue to compare well with peers' (see chart 2). NatWest's U.K. focus means that is somewhat sheltered from global geopolitics, but persistent uncertainty would indirectly weigh on its performance due to slower economic growth, weaker business and household confidence, and higher inflation.

Chart 2

NatWest's performance is on par with 'a' group SACP peers

S&P Global Ratings-adjusted return on average common equity



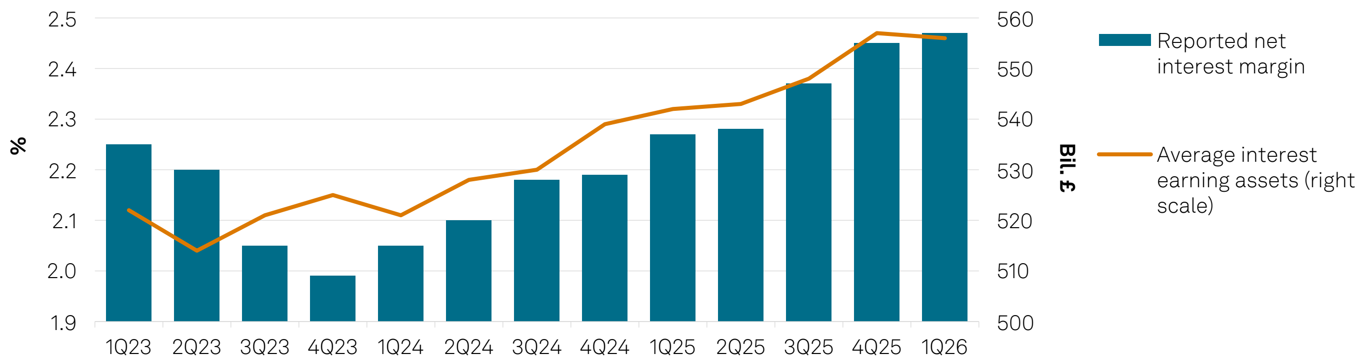
SACP--Stand-alone credit profile. Banks are sorted according to their 2025 return. Source: Bank disclosures, S&P Global Ratings.

NatWest's structural hedge remains a material revenue tailwind. The hedge program manages structural interest rate risk on the bank's stable deposits and capital resources by smoothing net interest income over a multiyear period. The hedge has a 2.5 year average duration and its gross yield is set to continue growing until about 2030 as NatWest reinvests maturing positions at higher rates. The bank's reported NIM has increased steadily since late 2023 and we expect further growth over our two-year outlook horizon (see chart 3).

Chart 3

NatWest's growing margin and asset base provide a significant net interest income tailwind

Quarterly net interest margin and average interest earning assets



Source: NatWest.

W**e view the quality of NatWest's capital as satisfactory and consistent with that of peers.** Additional Tier 1 (AT1) hybrid instruments represented 14% of our total adjusted capital measure at year-end 2025, which is a similar level to peers.

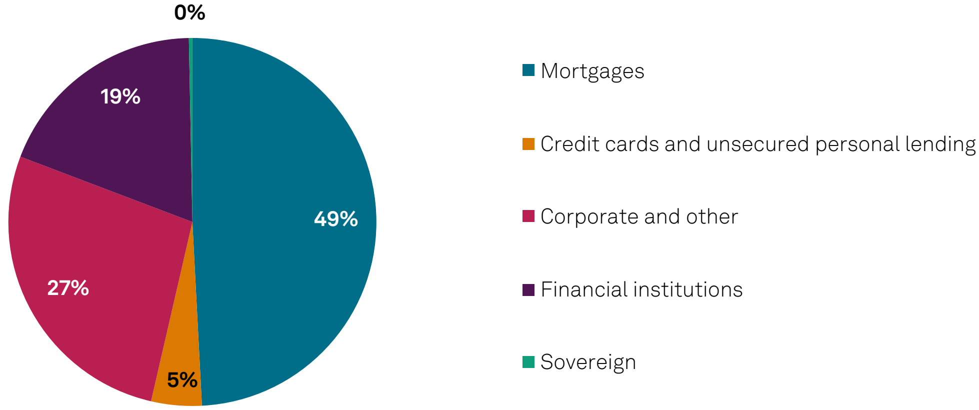
Risk Position: Focus On Collateralized Lending

NatWest's lending focuses on U.K. households and corporates. Residential mortgages represent just under half of drawn loans (see chart 4). The Sainsbury's Bank acquisition raised NatWest's presence in credit cards and unsecured personal loans, but this exposure remains a contained segment of the portfolio. Corporate loans are diversified by sector, and commercial real estate represents 5% of group lending and had a 49% average loan-to-value (LTV) ratio at year-end 2025. The group loan portfolio grew by 9% over the 12 months to March 31, 2026, which partly reflected the addition of the Sainsbury's Bank assets and also included a 22% increase in the financial institutions exposure.

Chart 4

NatWest's U.K.-focused loan portfolio is diversified by asset class

Gross loans to customers and banks on March 31, 2026



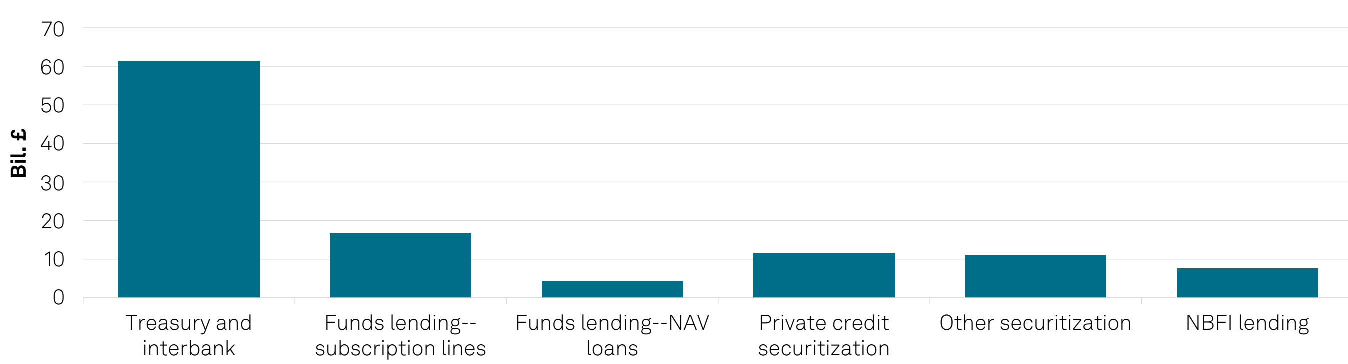
Source: NatWest.

NatWest's exposure to financial institutions includes private credit and funds. Its financial institution exposure is primarily short-dated treasury activity but also includes senior private credit securitizations (collateralized by portfolios of corporate loans) and funds lending, primarily subscription lines (see chart 5). NatWest had no exposure to the First Brands, Market Financial Services, or Tricolor defaults. We think the financial institution exposure represents a manageable part of NatWest's overall credit portfolio and the growth rate will likely slow from the recent elevated level.

Chart 5

NatWest's financial institution exposure is mostly short-dated treasury activity

Exposure to financial institutions through gross loans and debt securities as at March 31, 2026



NAV--Net asset value. NBFI--Nonbank financial institution. The treasury & interbank segment includes reverse repos, loans to banks, and liquidity portfolio assets. Source: NatWest.

NatWest's residential mortgage lending has a defensive LTV profile. As with other U.K. banks, NatWest underwrites its mortgage book based on borrowers' stressed repayment capacity. Still, the LTV profile of the group's book indicates good collateral coverage in the event of foreclosure.

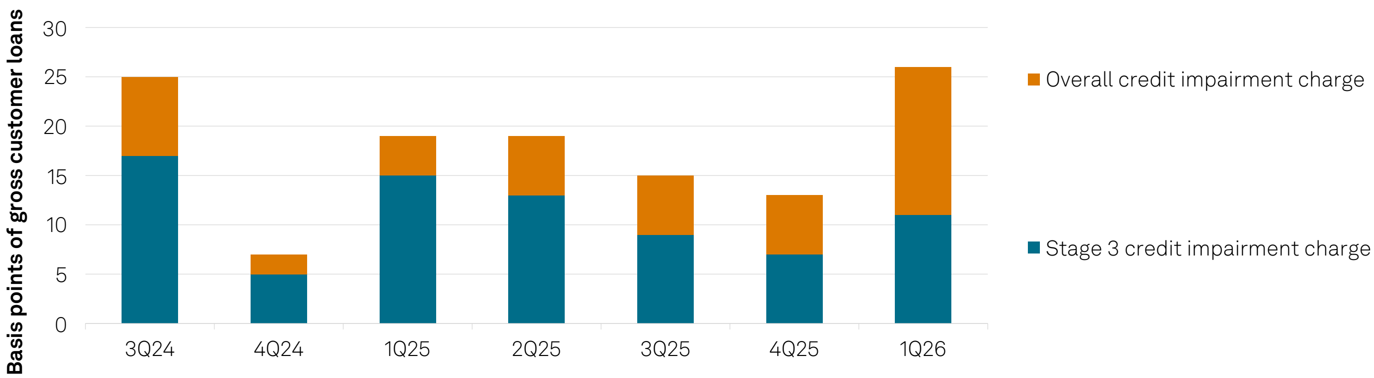
The average LTV of the retail banking division's owner-occupied mortgage stock was 57% at year-end 2025, and 54% for its buy-to-let loans. Although U.K. banks have raised their appetite for higher LTV mortgage lending, we do not anticipate a material reduction in underwriting standards.

NatWest's asset quality metrics remain relatively benign despite geopolitical uncertainty. The credit impairment charge increased to 26 bps of gross customer loans in the first quarter of 2026 primarily due to provision building that reflected weaker macroeconomic assumptions triggered by the Middle East war. NatWest expects the charge for the 2026 full year to remain below 20 bps, similar to the recent past (see chart 6).

Chart 6

Relatively benign credit performance

Annualized quarterly credit impairment charges



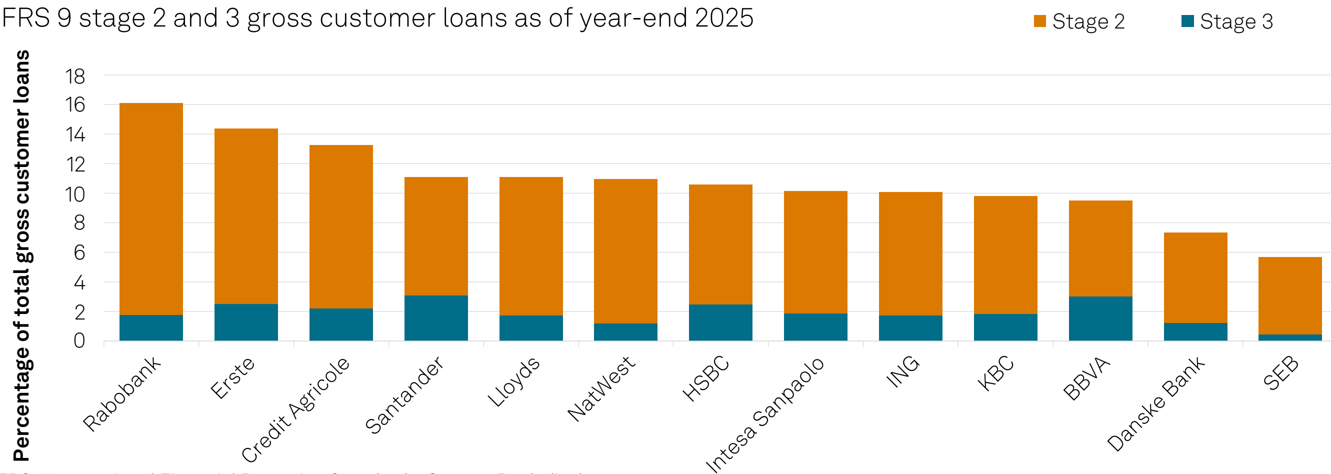
Q--Quarter. Source: NatWest.

NatWest's stage 2 and 3 loans are in line with the peer group average (see chart 7). Its stage 3 balances fell in 2025 mainly as a result of a mortgage securitization transaction, in which it sold junior tranches and achieved accounting derecognition. The vast majority of its stage 2 loans are fully performing, but more of these balances could flow into arrears and nonperformance if the economic environment worsens. Stage 3 loans were 46% covered by related impairment provisions as of March 31, 2026, which partly reflects collateral cover on mortgage and corporate exposures.

Chart 7

NatWest's stage 2 and 3 loans are similar to peers'

IFRS 9 stage 2 and 3 gross customer loans as of year-end 2025



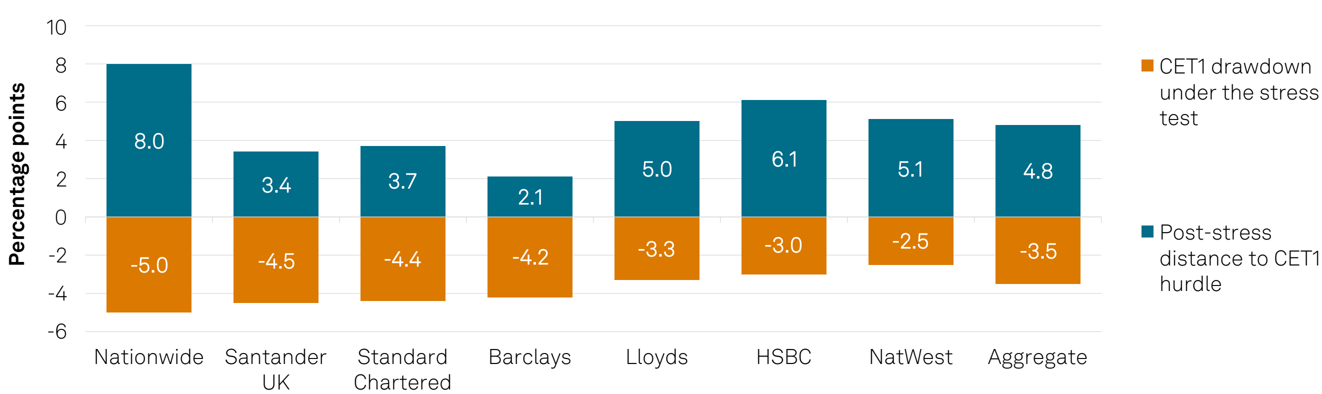
IFRS--International Financial Reporting Standards. Source: Bank disclosures.

The latest regulatory stress test indicates NatWest's relative resilience to a downside scenario. The December 2025 Bank of England stress test results showed that the bank's CET1 ratio fell to a low of 11.1%, well above its 6.0% hurdle rate. At 2.5 percentage points, NatWest's capital drawdown in the stress scenario was the lowest among the seven participating groups, reflecting its solid loan portfolio and limited market risk exposure (see chart 8).

Chart 8

NatWest had the lowest capital drawdown in the latest regulatory stress test

Results of the 2025 Bank of England stress test



CET1--Common equity Tier 1. Data shown after management actions. The post-stress distance to hurdle is the amount by which the low-point CET1 ratio during the stress period exceeded the hurdle rate. Source: Bank of England.

NatWest's main market risk is its nontrading interest rate sensitivity. The structural hedge program significantly mitigates the revenue impact of a yield curve shift. NatWest's trading book focuses on interest rate and credit products and the average one-day 99% value-at-risk was a relatively low £5.6 million in 2025.

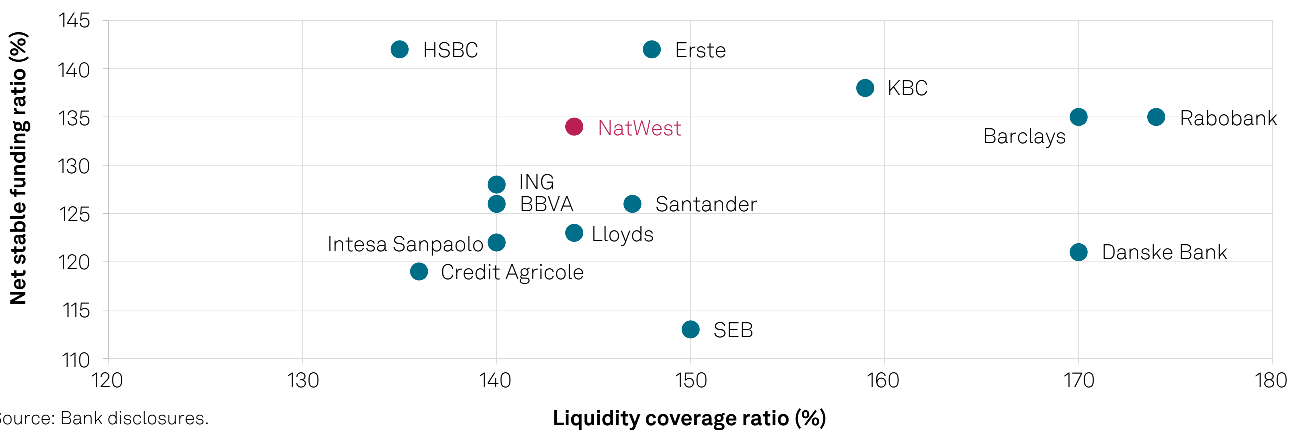
Funding And Liquidity: Significant Deposit Funding

NatWest maintains a cautious funding and liquidity profile. It has a granular deposit base across its retail and commercial businesses, good access to wholesale funding markets, and a large liquid asset pool. Its funding and liquidity metrics are on a par with similarly rated peers' (see chart 9).

Chart 9

NatWest maintains a solid funding and liquidity position

Regulatory funding and liquidity ratios as of year-end 2025



Source: Bank disclosures.

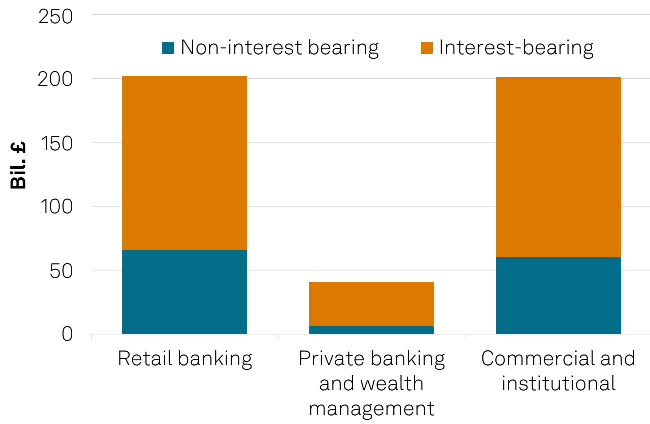
Surplus deposits enable selective use of wholesale funding. NatWest's 89% loan-to-deposit ratio as of March 31, 2026 (excluding repurchase agreements [repos] and reverse repos) and 134% average net stable funding ratio over the preceding 12 months illustrate that its long-term assets are backed by stable funding sources. Excluding repos and derivative cash collateral, NatWest had £92 billion of wholesale funding as of March 31, 2026, that was broadly spread by instrument. Aggressive pricing by neobanks has pushed up the price of U.K. deposits and NatWest competes strategically to defend its franchise, optimize its funding cost, and support the structural hedge. NatWest has limited reliance on term deposits, which are often the most rate sensitive and least franchise enhancing (see charts 10 and 11).

Chart 10

Chart 11

Broad deposit base

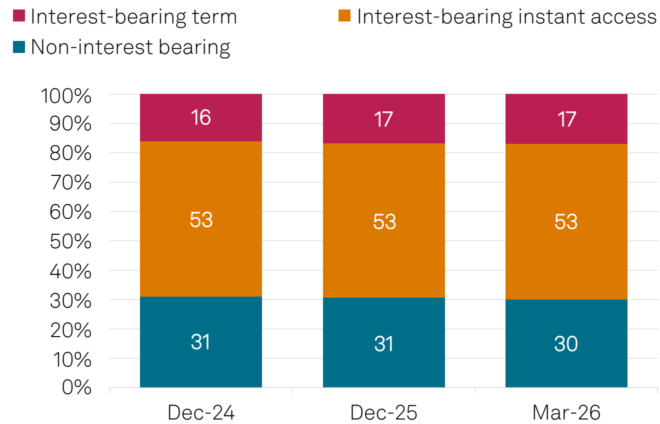
Divisional deposits as of March 31, 2026



Excludes central items. Source: NatWest.

Limited reliance on rate-sensitive term deposits

Deposit mix by interest type



Excludes central items. Source: NatWest.

NatWest's large liquidity buffer provides sizable capacity to cope with stressed outflows. Its stable deposit base and sizable portfolio of high-quality liquid assets provide capacity to manage a temporary interruption to wholesale market access. The 144% average liquidity coverage ratio in the 12 months to March 31, 2026, implies £48 billion of surplus liquid assets above the 100% minimum Pillar 1 regulatory requirement. Our liquidity metrics show a similar pattern as the regulatory ratios.

Support: A One-Notch Uplift Due To ALAC

The 'a+' group credit profile includes a one-notch uplift on account of NatWest's material ALAC buffer. With an 'a' stand-alone credit profile, the ALAC uplift available to NatWest is capped at one notch under our methodology. The 10.2% ALAC ratio as of year-end 2025 was well above the 3% threshold for a one-notch rating uplift, and we expect it will stay near this level. NatWest reported a 31.9% minimum requirement for own funds and eligible liabilities ratio as of March 31, 2026, comfortably in excess of the 22.0% leverage-based regulatory floor.

We view the U.K. resolution regime as effective. We think it contains a well-defined bail-in process under which authorities would permit nonviable, systemically important banks to continue critical functions as going concerns following a bail-in of eligible liabilities.

We think NatWest has high systemic importance in the U.K. This assessment primarily reflects its material market shares of retail and corporate deposits. Since 2015, we have regarded the prospect of extraordinary government support for U.K. banks as uncertain in view of the country's well-advanced resolution regime. As a result, we do not reflect implicit government support in our ratings on U.K. commercial banks.

Environmental, Social, And Governance

Environmental, social, and governance credit factors do not have a material influence on our assessment of NatWest's credit profile. Its transformation into a simpler group focused on domestic retail and commercial banking is a positive development for its sustainability profile, in our opinion.

NatWest has reiterated its climate ambitions while revising its transition plan. It maintained its target to achieve net zero across financed emissions, assets under management, and its operational value chain by 2050, and at least halve the climate impact of its financing by 2030 (from a 2019 baseline). Its amended transition plan saw the withdrawal of 16 sectoral targets for financed emissions in 2030 with a 2019 baseline, and their replacement by nine activity-based targets for 2030 with a 2023 baseline. These new targets cover 61% of the lending book, down from 79% under the previous approach, and provide NatWest with more flexibility to finance emissions-intensive sectors including oil and gas provided the borrowers have credible transition strategies. NatWest aims to support customers with climate and transition finance and set a new target in July 2025 to provide £200 billion by year-end 2030, of which it delivered £19 billion by year-end 2025.

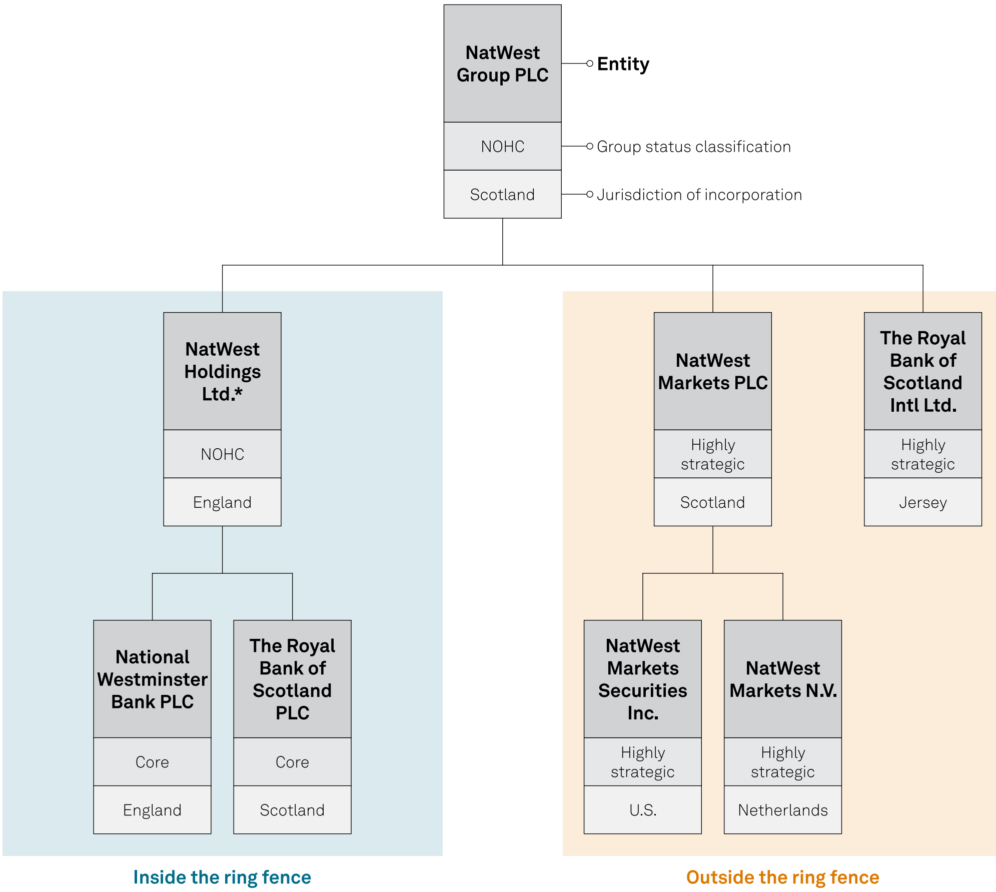
Social factors are important due to changing customer preferences and regulatory focus on banks' business conduct. NatWest has largely addressed legacy conduct issues, but we see ongoing customer remediation charges as largely unavoidable in U.K. financial services, particularly for the larger players. Operational resilience, cyber security, and financial crime remain regulatory priorities as financial technology evolves.

We consider NatWest's governance standards to be consistent with industry norms. The board is chaired by a nonexecutive and the CEO and CFO are the only executive members. The U.K. government was formerly a material shareholder due to its recapitalization of the bank in 2008-2009, and fully exited its stake in May 2025.

Group Structure, Rated Subsidiaries, And Hybrids

NatWest Group PLC is the group nonoperating holding company. Like its major domestic peers, NatWest has operated under the U.K. ring-fencing regime since 2019 and its operating subsidiaries are split between ring-fenced and non-ring-fenced entities (see chart 12). Although ring-fencing incrementally lowers the fungibility of group capital and liquidity resources and adds some ongoing frictional costs, we do not regard it as a materially negative factor for NatWest's overall creditworthiness. In May 2026, the U.K. government announced a review of the ring fencing regime that proposes to increase its flexibility (see "Bulletin: U.K. Ring-Fencing Revisions Will Boost Banks' Flexibility," published May 19, 2026).

Highly simplified overview of NatWest's organizational structure and rated legal entities

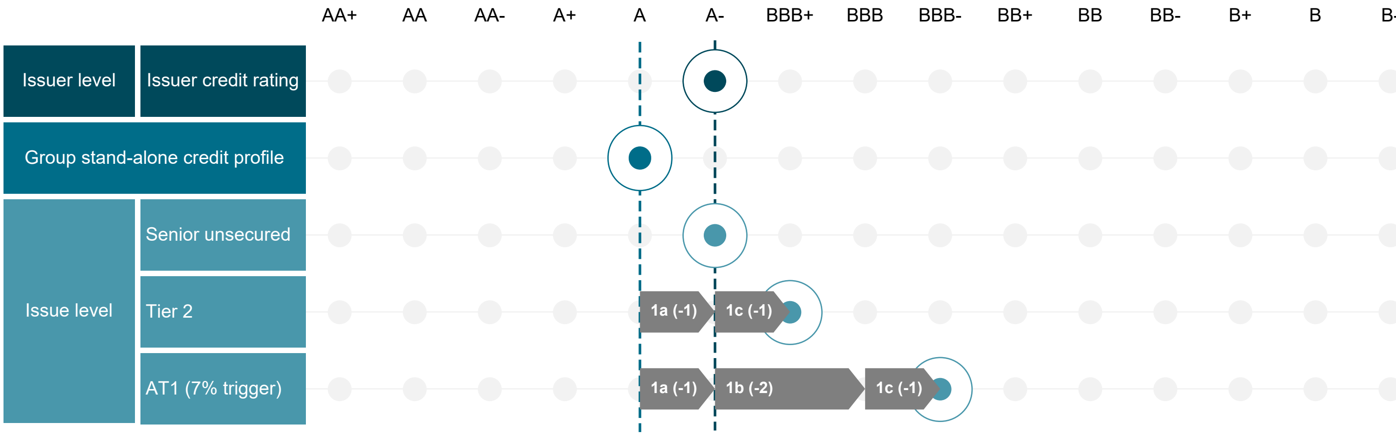


*Not rated. NOHC--Nonoperating holding company. Sources: NatWest, S&P Global Ratings.

We view the ring-fenced entities as core subsidiaries. We therefore equalize the long-term issuer credit ratings on these entities with the 'a+' group credit profile. The long-term issuer credit ratings on the non-ring-fenced entities are one notch lower because we see these subsidiaries as slightly less integral to the group, operating in business lines that are relatively riskier and have a more checkered earnings history. The U.K. government's intention to increase the flexibility of the ring-fencing framework could have positive implications for our ratings on NatWest's non-ring-fenced entities.

We raised our issue ratings on NatWest Group PLC's hybrid capital instruments in 2025. This was part of a broader rating action that reappraised the default risk on these bonds (see "Ratings On Multiple European Bank Hybrids Raised On Revised Analytical Expectations," published on Nov. 21, 2025). We raised our issue ratings on NatWest's AT1 instruments to 'BBB-' from 'BB' and its Tier 2 debt to 'BBB+' from 'BBB' (see chart 13).

NatWest Group plc: NOHC notching



Key to notching

- - - Issuer credit rating
- - - Group stand-alone credit profile
1a Contractual subordination
1b Discretionary or mandatory nonpayment clause and whether the regulator classifies it as regulatory capital
1c Mandatory contingent capital clause or equivalent

Note: The number-letter labels in the table above are in reference to the notching steps we apply to hybrid capital instruments, as detailed in table 2 of our "Hybrid Capital: Methodology And Assumptions" criteria, published on Oct. 13, 2025.
The nonoperating holding company (NOHC) issuer credit rating and senior unsecured debt ratings are notched from the group stand-alone credit profile (SACP) under our criteria. Since ALAC notching does not benefit NOHCs, for simplicity the diagram above is stylized to show the positioning of these ratings with reference to the group SACP.
AT1--Additional tier 1.

Resolution Counterparty Ratings (RCRs)

We have assigned RCRs to the rated operating subsidiaries except The Royal Bank of Scotland International Ltd. (RBSI). RBSI is incorporated in a jurisdiction--Jersey--where we have not assessed the effectiveness of the resolution regime. The assigned long-term RCRs are one notch above the respective long-term issuer credit ratings, except in the case of NatWest Markets Securities Inc. For that entity, the long-term RCR is in line with the long-term issuer credit rating, consistent with our U.S. jurisdiction assessment.

Key Statistics

NatWest Group plc Key Figures

Mil. GBP	2025	2024	2023	2022	2021
Adjusted assets	707,261	700,397	685,059	712,937	775,269
Customer loans (gross)	395,645	376,817	367,864	364,142	350,295
Adjusted common equity	28,144	24,872	24,675	25,439	28,176
Operating revenues	16,667	14,676	14,777	13,295	10,565
Noninterest expenses	8,095	7,854	7,641	7,302	7,292
Core earnings	5,628	4,671	4,766	3,926	3,100

GBP--pound sterling.

Table 2

NatWest Group plc Business Position

(%)	2025	2024	2023	2022	2021
Total revenues from business line (currency in millions)	16,684	14,793	14,780	13,337	11,083
Return on average common equity	14.2	12.6	12.6	8.8	7.0

NatWest Group plc Capital And Earnings

(%)	2025	2024	2023	2022	2021
Tier 1 capital ratio	16.4	16.5	15.5	16.4	21.0
S&P Global Ratings' RAC ratio before diversification	10.9	9.2	8.8	9.1	10.5
S&P Global Ratings' RAC ratio after diversification	12.2	10.0	9.6	9.8	11.5
Adjusted common equity/total adjusted capital	86.1	82.6	86.4	86.8	86.6
Double leverage	58.1	54.7	49.4	87.9	92.0
Net interest income/operating revenues	77.0	76.8	74.8	74.0	71.3
Fee income/operating revenues	15.1	16.8	15.8	17.2	20.1
Market-sensitive income/operating revenues	6.0	5.1	4.8	6.6	4.3
Cost to income ratio	48.6	53.5	51.7	54.9	69.0
Preprovision operating income/average assets	1.2	1.0	1.0	0.8	0.4
Core earnings/average managed assets	0.8	0.7	0.7	0.5	0.4

NatWest Group plc Risk-Adjusted Capital Framework Data

	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poor's RWA	Average Standard & Poor's RW (%)
Credit risk					
Government & central banks	142,991,079,838	2,705,555,688	2	2,467,540,374	2
Of which regional governments and local authorities	90,056,232	4,535,863	5	3,242,024	4
Institutions and CCPs	18,243,434,221	5,639,142,413	31	3,835,382,715	21
Corporate	167,799,714,457	73,609,464,550	44	126,350,175,983	75
Retail	271,719,640,451	65,627,489,463	24	104,268,062,120	38
Of which mortgage	226,427,515,691	42,975,167,000	19	64,901,328,595	29
Securitization§	47,631,218,125	8,050,642,725	17	9,704,167,527	20
Other assets†	7,476,752,789	5,229,161,263	70	9,193,176,428	123
Total credit risk	655,861,839,881	160,861,456,100	25	255,818,505,147	39
Credit valuation adjustment					
Total credit valuation adjustment	--	937,500,000	--	1,218,750,000	--
Market Risk					
Equity in the banking book	1,681,679,145	2,358,028,063	140	5,563,161,342	331
Trading book market risk	--	4,473,941,875	--	7,348,423,234	--
Total market risk	--	6,831,969,938	--	12,911,584,576	--

NatWest Group plc Risk-Adjusted Capital Framework Data

	Exposure*	Basel III RWA	Average Basel III RW(%)	Standard & Poor's RWA	Average Standard & Poor's RW (%)
Operational risk					
Total operational risk	--	25,594,993,525	--	29,331,189,775	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global RWA**	**% of S&P Global RWA**
Diversification adjustments					
RWA before diversification	--	194,225,919,563	--	299,280,029,499	100
Total Diversification/ Concentration Adjustments	--	--	--	(30,496,842,080)	(10)
RWA after diversification	--	194,225,919,563	--	268,783,187,419	90
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global RAC ratio (%)**
Capital ratio		**Standard & Poor's RWA**	**Standard & Poor's RWA**	**Standard & Poor's RWA**	**Standard & Poor's RWA**
Capital ratio before adjustments		31,621,000,000	16.3	32,699,000,000	10.9
Capital ratio after adjustments‡		31,621,000,000	16.4	32,699,000,000	12.2

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of Dec. 31, 2025, S&P Global Ratings.

NatWest Group plc Risk Position

(%)	2025	2024	2023	2022	2021
Growth in customer loans	5.0	2.4	1.0	4.0	(3.3)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	(10.2)	(8.2)	(8.3)	(7.3)	(8.4)
Total managed assets/adjusted common equity (x)	25.4	28.5	28.1	28.3	27.8
New loan loss provisions/average customer loans	0.2	0.1	0.2	0.1	(0.3)
Net charge-offs/average customer loans	0.2	0.2	0.1	0.1	0.3
Gross nonperforming assets/customer loans + other real estate owned	1.3	1.7	1.7	1.6	1.7
Loan loss reserves/gross nonperforming assets	70.9	53.9	59.4	59.7	65.3

NatWest Group plc Funding And Liquidity

(%)	2025	2024	2023	2022	2021
Core deposits/funding base	74.4	75.83	76.7	79.1	76.9
Customer loans (net)/customer deposits	86.4	83.8	83.4	78.6	71.5
Long-term funding ratio	85.3	85.2	86.0	88.6	86.0
Stable funding ratio	117.7	117.2	117.7	127.5	138.6
Short-term wholesale funding/funding base	15.5	15.6	14.8	12.0	14.8
Regulatory net stable funding ratio	135.0	137.0	138.0	145.0	157.0
Broad liquid assets/short-term wholesale funding (x)	2.0	2.0	2.1	2.8	2.8
Broad liquid assets/total assets	26.0	25.2	25.3	27.2	33.6
Broad liquid assets/customer deposits	40.9	40.1	40.1	42.6	54.3

NatWest Group plc Funding And Liquidity

Net broad liquid assets/short-term customer deposits	20.9	20.2	21.4	28.2	35.5
Regulatory liquidity coverage ratio (LCR) (x)	147.0	151.0	141.0	145.0	172.0
Short-term wholesale funding/total wholesale funding	58.8	62.2	61.7	55.5	62.2
Narrow liquid assets/3-month wholesale funding (x)	3.4	3.8	4.9	6.0	N/A

Rating Component Scores

Issuer Credit Rating	A-/Stable/A-2
SACP	a
Anchor	bbb+
Business position	Strong (1)
Capital and earnings	Strong (1)
Risk position	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)
Comparable ratings analysis	0
Support	1
ALAC support	1
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

SACP--Stand-alone credit profile. ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, May 5, 2026
- General Criteria: Hybrid Capital: Methodology And Assumptions, Oct. 13, 2025
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9, 2021
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Bulletin: U.K. Ring-Fencing Revisions Will Boost Banks' Flexibility, May 19, 2026
- U.K. Banks Make Solid Start To 2026 Amid Heightened Global Uncertainty, May 7, 2026
- U.K. Debate On Central Bank Reserve Remuneration Poses Limited Risk To Banks, April 7, 2026
- Industry Report Card: U.K. Banks' Earnings And Capital Distribution Set To Accelerate In 2026, March 9, 2026
- NatWest Group PLC Ratings Affirmed On Strengthening Earnings And Lower Capital Target; Outlook Stable, Feb. 13, 2026
- Bulletin: NatWest's Agreed Acquisition Of Evelyn Partners Will Build Its Wealth Management Franchise, Feb. 9, 2026
- Banking Industry Country Risk Assessment: United Kingdom, Jan. 14, 2026
- U.K. Banking Outlook 2026: Another Solid Year Ahead, Jan. 6, 2026
- U.K. Banks: Trimming Of Regulatory Capital Requirement Does Not Hurt Ratings, Dec. 2, 2025
- Ratings On Multiple European Bank Hybrids Raised On Revised Analytical Expectations, Nov. 21, 2025
- Positive Actions Taken On Lloyds And NatWest On Strong Foundations Of U.K. Financial System, Sept. 10, 2025

Ratings Detail (as of June 04, 2026)*	
NatWest Group PLC	
Issuer Credit Rating	A-/Stable/A-2
Commercial Paper	
Foreign Currency	A-2
Junior Subordinated	BBB
Junior Subordinated	BBB-
Senior Unsecured	A
Senior Unsecured	A-
Short-Term Debt	A-2
Subordinated	BBB+
Issuer Credit Ratings History	
10-Sep-2025	A-/Stable/A-2
12-Apr-2023	BBB+/Stable/A-2
24-Jun-2021	BBB/Stable/A-2
Sovereign Rating	
United Kingdom	AA/Stable/A-1+
Related Entities	
National Westminster Bank PLC	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+
Commercial Paper	
Local Currency	A-1
Preference Stock	BBB-
NatWest Markets N.V.	

Ratings Detail (as of June 04, 2026)*

Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Commercial Paper	
Local Currency	A-1
Senior Unsecured	A
Senior Unsecured	A-1
Subordinated	BBB
NatWest Markets PLC	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A+/--/A-1
Junior Subordinated	BBB-
Resolution Counterparty Liability	A+
Senior Unsecured	A
Senior Unsecured	A-1
Short-Term Debt	A-1
NatWest Markets Securities Inc.	
Issuer Credit Rating	A/Stable/A-1
Resolution Counterparty Rating	A/--/A-1
Senior Unsecured	A
Royal Bank of Scotland International Ltd.	
Issuer Credit Rating	A/Stable/A-1
Commercial Paper	
Foreign Currency	A-1
Royal Bank of Scotland PLC (The)	
Issuer Credit Rating	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.