



NatWest
Group

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Perlie Mong: Okay, ladies and gentlemen, please join me in welcoming our next presenter, Paul Thwaite, CEO of NatWest Group. Paul, thank you very much for joining me today.

Paul Thwaite: Good to be here. Good to see you. Thank you for the invitation.

Perlie Mong: The UK has been through quite a bit in the year and a bit that you've been CEO. So what have the key challenges been and how easy have you found it to adapt NatWest to the changing environment?

Paul Thwaite: Thank you. I think the UK has faced some uncertainty. Arguably, some other economies have faced bigger uncertainty. When I think about the UK and what we see in the customer base and in the surveys that we do, I think the reality is that if you look at the last eight, nine, ten months, whether it's GDP, whether it's PMI, whether it's house price indices, the data has probably been better than we expected. So that's good. That also bears up in what we see in our own internal data. We do a lot of internal customer sentiment data tracking, whether that's consumers or whether that's businesses. So that's showing up there. That's trickled through to good levels of activity actually on both sides of our balance sheet. And given there's more clarity about the political situation, if you think back 12 months ago, we had a decisive election, there is more to come in terms of policy and budget, but I think that's helped. So net-net, I think the uncertainty has improved over the period of those eight to 10 months.

From the perspective of what it's meant for the bank, what it's meant for me, the challenges, the priority for the whole of the bank in that environment is supporting our customers as they go through higher inflation and higher interest rates. That means very different things for different parts of the customer base. So we've been very focused on making sure we're there for customers, whatever their circumstances are. And I think the strategic priorities, which I laid out at the tail end of last year and repeated in February, have borne out very well. We've been very clear and very consistent. We're interested in growth, but disciplined growth. We're interested in the continued simplification of the bank, and we've kept a very tight focus on risk and capital management.

So those priorities have stood us in good stead. I'm pleased with the positive momentum on the growth side. We've continued to make the tough decisions around simplification, and you can see the activity we've been doing on the balance sheet side in terms of risk management, but also some small acquisitions. So in those circumstances which you allude to, I think we've created some good momentum. We've got very strong foundations off the back of that. So all things being equal, I think we're well set.

Perlie Mong: Yes. And you've noticed that the operating environment, if anything, is getting a little bit better. And I know you've increased this year's RoTE target to over 14%, and you've kept 2026 at over 13%. I believe that is a little bit below where consensus is. So what would stop NatWest getting to the consensus level or even higher?

Paul Thwaite: We had a strong first half of the year. We printed over 16% return on tangible equity, so 16.4%. That was underpinned by a number of things, rate reductions. Those reductions happened later than was originally in our base forecast. The deposit side of our business has grown at a system level, but also within our business at a greater level than we

expected. Our cost of risk was very low. So the combination of those things led us to upgrade not just ROTE. We upgraded ROTE. We upgraded revenue, we also upgraded on cost of risk. So that's what gave us confidence at the half year.

As you look out, and I said in July, on the back of that, I was very confident around the upgrade and the outlook. We've seen good activity in the last two or three months in the mortgage market at a market level, but also at a firm level as well. And we've now seen the first base rate reduction. So it feels like that's aligned with our expectation. So I feel confident about '24 and would repeat what I said in July.

Looking out to '26, which you touched on as well, I shared those numbers only in February, and the emphasis was on greater than 13%. I think we should have an ambition for the business and that's why I articulated it like that, which is greater than 13. There's a number of tailwinds and headwinds which would affect that. The pace of rate reductions would be one, the quantum of those reductions in our base case, we assume 200 basis points of interest rate reductions by the end of '26. You'd also assume a degree of improving loan demand reflected in both mortgages and business growth. As I alluded to in the '24 answer, we've seen the green shoots there in terms of loan demand coming through. The good news is we're through the inflection point on mortgages and front book versus back book is now in a strong position, which is great. So there's a number of things supporting that. And again, I'm increasingly confident that the business we have, the business model can deliver and our target is to beat our return, deliver the returns that we've laid out there.

Perlie Mong:

And you talked about your base rate assumptions. I think they're a little bit below market expectations/what some of your peers have put in their assumptions. So if rates come in a little bit higher, do you see much upside?

Paul Thwaite:

You have to make a set of assumptions, and I think one of the things I've been very keen to do is ensure that our disclosures are very fulsome so people can take their view on where our book is, what the financial impacts are of different reductions. We try and be very thoughtful and sensible about that. We know we have a business model that's heavily geared to rates, and net interest income. You can see that through our retail business and our commercial business. And obviously, the out turn will vary depending upon the trajectory of the interest rates.

I think one of the things always to bear in mind and people often ask me, what's the sweet spot for rates? Is it two and a half? Is it three and a half? Is it two? Whatever it may be. In my view, the two and a half to three and a half terminal rate feels like a number where we can be confident about the medium term returns of the bank because I think you get a healthy combination of loan demand with that terminal rate. It also supports profitability because it's very easy to see where the margin picture plays out as part of that, but also, at that rate, you wouldn't expect any significant deterioration in terms of non-performing loans and impairments. So when I think about the rate environment, if that's a healthy range, then to me that should support healthy returns in the medium term for the business, given the business mix and model that we have.

Perlie Mong:

That makes a lot of sense. And just to bring everything together, there are obviously a lot of moving parts in the interest margin and we've already touched on some of that already. I know you don't guide on NIM anymore.

Paul Thwaite: Correct.

Perlie Mong: But to just bring everything together and recap for us, how do you see the outlook for the main elements, deposit, mortgage pricing, structural hedge, etc.?

Paul Thwaite: So you're right, we don't guide on NIM anymore. Let's break it down a little bit. The first thing I'd say is I'm very encouraged by the NIM progression that we've had for two consecutive quarters. And we've had it not just for two consecutive quarters, but also in all three of our customer businesses. So that's great. And what's supporting that is obviously the deposit margin and the flow through of the product structural hedge. So from that perspective, that's great.

In terms of what we've said about the structural hedge, we increased our disclosures at the half year. We shared that we'd expect the contribution from the product structural hedge in 2025 to be 800 million greater than '24. We also said, in '26 it would be greater than '25. So we've given quite a bit of guidance there about the tailwind. So from that perspective, that's good.

Why can we be confident about that? We're mechanistic in our approach to the hedge and very pure from that perspective. So we can understand the extent that next year is already locked in and to a lesser extent, but still a significant extent, the '26 number as well. So that's where we are on the hedge. We feel very comfortable with that.

You touched on mortgages and deposits I think as well. So what's the outlook there? On mortgages we've seen at the system level increasing volumes, which is great. The last three months have shown strong trends. As a big player in mortgages, we've taken our appropriate share there, which is good. So you'll see that coming through in our quarter three outlook and lending, which is great. The most encouraging thing to me about both the volume increases is that the margins have remained robust as well. You'll know that I reduced our competitive position in mortgages in quarter three last year because the volumes were very thin, but also the margins were very thin. Once we saw the margin environments improving in late quarter one, early quarter two we've stepped back in and that margin environment has continued. So we're writing margins on average around 70 basis points. As I touched on earlier, that's similar and equivalent to the back book, so that's good. So I've always been of the view if volume is healthy in the mortgage market, then I think that will support healthy margins. And it's early days, but both so far so good on that front. One would expect, although one can't guarantee it, one would think some of the wider policy environment around first time buyers and planning would further support the mortgage market.

On the deposit side, I guess the big news we've had since the half-year results in July is the first rate reduction. The punch line for me is that that hasn't resulted in any change in customer behavior. We reduced our rates and passed through relatively immediately in line with our sensitivities and disclosures, so circa 60, 65%. That hasn't led to any change in customer behavior. I think the market, when you look at the market, behaved very rationally for that first interest rate change. So the majority of players have reduced. It was interesting to me that some of the digital and the neo banks reduced by or passed through more than 100%. So that's narrowed any gaps in top line pricing.

If you try and bring that together, I guess there's three or four parts you spoke to. The

structural hedge is strong and a healthy tailwind that's already reflected in the NIM trend, you can see. Mortgage margins appear solid alongside volumes. And so far, the reaction to rate reductions has been perfectly rational, which means I'm confident about the NIM outlook as we look through the rest of the year until the medium years of our plan.

Perlie Mong:

That's very clear. Thank you. So shall we move to the other part of the NII equation, volume and growth?

And I think we've already seen some activity pick up in the market, especially in mortgages, consumer credit. So what have you seen in the front end and what are your growth aspirations there? And of course, as the country's largest commercial and business bank, what do you think would need to happen for commercial lending to pick up a bit more?

Paul Thwaite:

Certainly, I think we are encouraged by the early signs of lending demand. And this goes to my first priority, which I laid out, which is this area of disciplined growth. I want us to be ambitious around the growth potential in our three businesses, Retail, Commercial and Institutional and Wealth. And I think it's a good mentality for us to have. We've touched on mortgage volume, so I think we've done that. But I think what's also been encouraging is unsecured credit has also shown green shoots as well. We're coming off a relatively low base in unsecured credit, be it credit cards or loans. And similar to mortgages where over time we've moved from a 6% stock mortgage market share to 10 or 12 and a half, with consumer credit, we've moved from 4 to 6 to 8%. And pro forma when you wrap in our proposed acquisition of the Sainsbury's Bank consumer credit portfolio, that will get us to a 10 and a half percent.

So my view is that you can see both the opportunity for us, which is ideally the system grows and then within that system we take more share. And I think we can continue to do that in mortgages and in some consumer credit, but I'll only do that if the pricing and returns are as we wanted. And I think the other thing to point out is we've done that within our existing risk appetite. We haven't had to move our position in terms of the risk curve. So I feel confident about the opportunities to further grow our retail business. As you say, we have a unique insight on the commercial side, given our strong market shares in SME, in mid-market and in large corporate. The way I characterize that is business sentiment and confidence, we touched on this in the first question actually, has improved over the course of the last 8 to 10 months.

And we are seeing green shoots in terms of lending demand. You saw that in our quarter two numbers, in our mid-market, which is really the heart of the franchise. That's family-owned businesses, private-owned businesses all over the UK. And you can see our lending to those segments has increased during quarter one and quarter two. So that's encouraging. On the large corporate side, given the nature of the financing market, a lot of the activity has been out into the capital market. So we benefit on the market side of our business, but it's been more capital markets activity than traditional bank lending. So that's what we've seen in the commercial space.

What I would say is, to me, there's a slightly longer lag period between what I call the sentiment indicators on the business side and the actual activity. And I think the two big triggers in my mind were always the first base rate reduction, but also increasingly the clearing event of the budget. And I think for business owners, understanding what their investment cases are, their internal rate of returns, rates are a crucial input. But I think

there's also a desire to understand what that policy environment would be like. But again, I would summarise the signs are encouraging and one would hope that that would be reflected in increased activity as we go through the term of the plan. And my job is to make sure the bank is set up to be able to deliver that.

Perlie Mong:

That's very clear. That makes a lot of sense. And I guess another thing that people will look at when rates start to come down is the fee income line and that will obviously get more attention. So what are the opportunities for NatWest? Obviously noting that you have a wealth franchise, etc. And what are your timescale for realising any growth aspirations in there?

Paul Thwaite:

Yes, so I'd start by saying non-interest income, fee income, it is a really important topic for us. We spend a lot of time as a management team and as a board talking about the opportunities. What I would say is that, and if you look at our business mix, we're obviously heavily skewed to net interest income. There's very obvious reasons for that. If you look at our quarter two results, the out-turn on fee income and non net interest income is good, it's just below 5%. So that's decent growth and it's relatively broad-based. It's coming from our fees associated with our assets under management in the wealth business, it's coming from FX. We have a very strong FX engine within markets that serves the rest of the group. It's coming from our payment businesses and some of our lending fees. So there's a broad-based growth there of around 5%.

But it obviously doesn't take a genius to work out that our net interest income is also growing. So the reality is our mix isn't really changing. So whilst I'm very confident around the investments we've made to support growth in our fee revenue lines, I think we have to put a dose of reality alongside it in terms of the ability to shift materially our revenue mix over the short to medium term organically is relatively muted. So we'll go very hard at that. I talk about it internally as kind of the grind. We want to have year-on-year growth. We want to realize the benefits of the investments that we've made. But it's not going to fundamentally in a short-term shift our mix. So then the next question I get is, well, if that's the case on organic, is inorganic the option in terms of fee income? And to me there's a big disconnect there between what would be the aspiration and the reality of the position.

My view is that it's incredibly expensive to buy fee income, whether you look at the recent transactions in the market and the multiples involved and you compare them to bank multiples. So at the moment, whilst it might be attractive and seductive to think about that, the reality is from an economic perspective, it doesn't make financial sense. And shareholders wouldn't thank me for that. So as it stands, it's very hard to do anything inorganically on the fee side. So we'll focus on the organic side, but manage expectations that you can't fundamentally change the shift, the mix of the bank in the short term.

Perlie Mong:

That's very clear. And thank you for your thoughts on the income side. I know you've also done a lot of work on the cost side and one of the things you focus on, as you said just now, is simplification. So what does that mean in practical terms and how much simpler can NatWest get?

Paul Thwaite:

Good question. Well, first of all, I should say that sometimes simplification is interpreted

as a proxy for cost. To me, it's cost and other things, it's about productivity, it's about efficiency and it's about customer experience. And I think there's a much broader message in that. Our drive towards simplification can deliver all of those benefits, it's not just a cost play. You alluded to it, NatWest in some respects has been putting costs for, and RBS as its predecessor, has been putting costs for 15 years. And the way I think about it is it's been very successful in kind of macro simplification. Over time, it's divested of businesses, it's exited countries, it's streamlined products, et cetera. So that's that macro..... Streamlined products, et cetera. So that's, that macro simplification I think has been a tremendous, that restructuring story has been a tremendous story. When I and the management team now talk about simplification, it's about what I call micro simplification. So it's things like digitization, it's automation, it's eliminating operations, it's consolidating property footprints. So from that perspective, I think there's a contrast to what what's come before and that's why I have confidence that there is the opportunity, which is the final part of your question, there is the opportunity to drive more productivity and efficiency out of the business. If you look at our cost guide for this year, it's broadly stable. We give a very clean and pure cost guide. It's what I call an all-in number. In our OpEx line: we absorb wage inflation, we absorb tech contract inflation, it includes restructuring charges. [It includes where] we're investing money to, whether it's to streamline the property portfolio or whether it's to restructure the business in terms of individuals, and it includes all our investment expense as well.

So broadly stable, excluding the Bank of England levy, guide, by definition means you're having to drive a lot of productivity and efficiency to get the benefit out. So we'll keep going on simplification. I believe there's opportunities there. I've talked to some of the examples previously. The fact that this year we've simplified our telephony systems from 20 to five, and some similar reductions in our CRM systems. We've put live 15 plus customer journeys that are now totally digitised and automated, which gives the team and gives me confidence that there's more we can do there.

But I probably should just close there on that point, but just frame it again as this big difference between the macro simplification of the first 10 years post the crisis and what I call the more BAU micro simplification, which we're really going to push. And if we do that right, I think it creates really healthy operating leverage in the business because with that discipline on costs, with the trajectory and the potential we've talked about on revenue managed over a tighter balance sheet, that's a model that can generate nice levels of capital for distribution and good returns.

Perlie Mong:

Thank you. And well, you've just mentioned capital and I understand that another focus area for you as CEO is active balance sheet management. And I guess one of the surprises in half year was the pace of proactive risk weighted asset reduction. So I know you're not changing your medium term audit guidance, but do you see scope to go further than initially planned in terms of capital efficiency?

Paul Thwaite:

Yeah, I think it was one of a number of positive in the half one results, which is great. It's been a big focus of mine from the time I took on the job. The reason for that is I saw potential in terms of how we thought about our balance sheet management and our capital having run the Commercial and Institutional franchise previously where inevitably, by definition capital is tighter. I thought we had the opportunity to deploy some of those

activities and tools across the bank as a whole. We saw the fruits of that activity as you alluded to, or some of the fruits of that activity, in half one and especially quarter two, RWA is reduced by around 4 billion.

I think it's important to point out that was for a variety of things, and please don't extrapolate that forward because some of it's timing, but it was via good client management, good credit and capital management, the usual instruments of SRTs and CRIs. We've underutilized those particular instruments versus some of our peers. Again, some of that's about institutional history and legacy. There's been no need, there's been no need to do that historically, but it's more important now. So that was a good print. It continues to be a big focus of management. I think there are levers that we can continue to pull. We've been public that the north star of the businesses is RoTE. One of the critical levers that you have to pull is the capital that you consume. And we have a very active process around capital allocation, capital efficiency, and capital velocity. And I guess I would encourage people to think of this in that context is that there's no reason why we can't be, and what we will be, is a more systematic utiliser of some of the instruments that are out there in the market, which you've seen part of in quarter one and quarter two.

Perlie Mong:

That's very clear. And staying on the topic of capital, directed share buybacks makes a lot of sense while the government is on the register. I understand that that's obviously been in decline. When the government is no longer on the register and with share prices now trading around book value, does that change your thinking on distribution policy?

Paul Thwaite:

Capital return is, as I've pointed out - I know how important capital return is for shareholders - so nothing changes from that perspective. We've been very clear, and in my view, very consistent, about our approach to distribution. So first and foremost, we prioritise the ordinary dividend at c40%. We are pleased at the half year to announce the 6p interim, which is about a 9% increase. So that's the first priority. Then just to get the hierarchy, then it's the directed buyback. We executed 4.5% of the shares in May, circa 1.2 billion, and then we finished or completed the most recent on-market buyback in July from memory. So that's how we've thought about it.

We're very pleased with the reduction in the government shareholding from 38% at the start of the year to 16.92% on the basis of yesterday's announcement. So that's been good. But in that context, the hierarchy, whilst we still have a c17% shareholder, government shareholder, the hierarchy hasn't changed. Ordinary dividend, directed buyback. Because of the change in the listing rules, there's no reason why we have to wait for the annual anniversary. Usually we'll wait, I think as you know, we have to wait for the annual anniversary for the directed buyback. That would be May. But because of the change in the listing rules, that isn't required. So should UKGI and the government want to do another directed buyback, there is the potential to do that.

So we'd still prioritize, we'd still prioritise that, and then we'd look at obviously on-market buybacks after that. So given our current context, it's still the priority. I think the time, if the question is about when's the right time to think about the policy, I think the reality is as that shareholding comes down and approaches zero, to me, that's the time to take stock and have a little think about the capital distribution policy. But what will remain sacrosanct is distribution to shareholders, because we know how important that is to our

shareholder base.

Perlie Mong: That's very clear. I think this is a good time to open the floor up for more questions. So if you have a question for Paul, please raise your hand. I think there's one over there.

Speaker 1: I know the lights are pretty sparkly. Anyways, just a quick question on your view on the Challenger banks, we've seen consolidation there, so I wonder what impact you now see going forward from that. And on the flip side, you've also seen Revolut getting a UK banking license, so obviously they will make a major push as well. So just a thematic on what these new entrants in the banking landscape will make going forward. I know they've been pretty noisy in the last decade. The next decade could be different. Thanks.

Paul Thwaite: Yes, no problem. Thank you. So I think that market has evolved a lot. If you go back to the post financial crisis area and I guess the desire to issue or introduce more competition into the sector, issue licenses, and I think there's been some very different models that have arisen over the course of the last 10 to 12 years. I think it's been interesting to see the consolidation that you refer and allude to, over the course, really of the last 12 to 15 months, whether it's, and depends how you define challenges, but whether it's Nationwide, Virgin, Co-op, and Coventry, ourselves, Barclays and Tesco.

So my personal view is I think the market will consolidate more. I think some of the participants, not all of the participants, but some of those from a returns and profitability perspective, despite the cycle we've been through, have still been challenged. You also have some of those participants with different ownership structures that might be looking to exit. So I think there are conditions, therefore potentially more consolidation, but I don't really see that segment of the market as one constituency. That's probably my key message. I think there's some very different constituencies and I think that will drive competition in some particular customer segments. It will drive competition in some particular product lines. But a lot of the points of differentiation that a number of those institutions have traded on, I think the large incumbents, including NatWest, have been able to replicate. So whether it's digital experience through the mobile app, whether it's combining digital experience, the mobile app, with a good branch infrastructure, whether it's investment product on the wealth app. So I think what was a gap maybe 5,6,7 years ago has narrowed significantly. Second part to your question about Revolut specifically, I think Revolut in many respects is a different debate. I think it sees itself rightly as a global operator. I think it sees itself as operating globally across a number of, what I would call, product horizontals. FX would be an obvious example. So I think that's how it sees it. The granting of the license gives it access to raise deposits.

My view is that will be utilised to support these global horizontals where they want to compete. I don't see a massive appetite into getting into what I would characterise as kind of Main Street retail or small SME banking. So I think that's how I think about Revolut. But we watch all these competitors very carefully. We consume their products. We make sure we understand the experience that they're delivering to customers and drive our business to make sure we can replicate similar experiences and products. It's a big topic, but there's just some general thoughts.

Perlie Mong: And can I just add to that question because I think I read some press articles in just last

few days about JPMorgan Chase testing a consumer credit card product. So that is an area that you are growing into as well. So how do you see the competitive landscape there?

Paul Thwaite:

First thing I'd say is it doesn't surprise me and didn't surprise me at all to see that Chase would start to extend their product range. Number of reasons for that. One is they've been quite explicit about it, about wanting to extend beyond the traditional current accounts and savings accounts, so not surprised by that, number one. Two is obviously they have a great heritage in terms of consumer credit card business, not just in the U.S. but obviously large in the U.S., so they've got skills and capability, so not surprised by that. My view is it's another competitor in a competitive market. It'll be interesting what the proposition is, where the extent to which they lead on price versus loyalty and value. So I think that's something that we'll be alive to.

But what I'd say about NatWest in the credit card market is we come from a low base. We've been able to grow primarily through our existing customers because of the relationships that we have with our customers, because of the data we have on our customers and how we use those insights to surface credit card offers. And having come from such a low base, I feel as if we've still got growth potential. I also think more generally, some of the macro trends are probably with increasing consumer credit. So in my mind, the system will get bigger in consumer credit, and we have the opportunity both to take advantage of that system, but also to grow share. I'm very confident we can deliver a very compelling card proposition digitally, whether it's product and price or loyalty, based on how well we know our customers.

Perlie Mong:

Thank you. Is there any more question for Paul from the floor? If not, then I'll just use the remaining time to ask some of your thoughts on politics and maybe regulations. Well, first of all, Basel 3.1, the latest guidance is possibly a little bit less severe than people might have thought. So is that your reading as well?

Paul Thwaite:

It's early days because that's the 1,700 pages of reading to get through on Basel 3, but I do agree with your general sentiment. I think first of all, it's good now that the guidelines are out there. It's good to be clear to the extent we can be on the date. There will be a lot of devil in the detail, and we have to go through that. But the removal of the support factors, for example, on SME and infrastructure will definitely increase RWAs. In theory, the offset is in the Pillar Two in terms of the capital stack. So we're going through that, and the Pillar Two consultations started. But I think the bear case around Basel 3 certainly hasn't played out, but I don't think people should get carried away and assume suddenly there's a large quantum of capital that they thought was going to be consumed is now not going to be consumed.

So from our perspective, we gave RWA guidance of c200 billion in 2025. We're not changing that. I think it's important we remind people that it wasn't just about Basel 3.1. It included CRD IV. It included business growth, et cetera. So there's a range of things and active capital management. So we'll work through the detail, but I think you're right. But it's probably at neither extremes. It's aligned, and we're encouraged to see that, but it's only one part of the capital jigsaw.

Perlie Mong:

Of course. And I guess in the previous sessions, we've already gathered that the million-

dollar question for the short term is what's going to happen in the budget, so-

Paul Thwaite: I don't know. That's for sure.

Perlie Mong: So in your early experience working with the government as a shareholder, but also just generally speaking as you are an important stakeholder in the way they think about the economy, what are your initial thoughts about the growth agenda and how you might benefit from their policies?

Paul Thwaite: So I'd start by saying we've had very active engagement with the ministers and the departments that you would expect, both in opposition, but also now in governments. I would say that's been very constructive in terms of the discussions that we had around the aspirations for the country, what we would want the country to be, a successful growing country. So I think there's alignment there. I've been encouraged by the private and public messaging around the role of financial services, the role of banks. If we are going to unlock growth for the country, banks and the financial service sector needs to play its part. And I think there's a good understanding of that in government, especially if we want to create in effect through the growth the ability to invest in public services, which is what obviously the government is very keen to do, be that health, education, protect the more vulnerable in society.

So I think that equation is well understood and aligned. In terms of what it might mean for a bank like NatWest, the focus on planning and housing, the focus on digital infrastructure, energy infrastructure are all areas of opportunity for us. So if we get the right policy and regulatory mix, I think that can support growth demand, loan demand. But the key clearing event in my mind is the budget, I think, because that's in many respects, probably combined with the Investment Summit, but I think it's the first moment of truth in terms of that policy agenda, and I think we're all waiting with interest to see that.

But I would finish by saying I've come away from all my engagements with the sense that there is certainly high conviction about the desire to find growth, and that is the genuine intent. So I come away encouraged by the discussions and obviously as we go through the events of the next couple of months, Investment Summit, Budget, Mansion House, I think we'll get a sense of that policy agenda which will allow us to test the intent versus the policy reality.

Perlie Mong: That makes a lot of sense. Thank you very much. It's been a pleasure to host you.

Paul Thwaite: Thank you.