NatWest Group plc
Investor Spotlight: Private Banking & Wealth Management
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Speakers:
Paul Thwaite, NatWest Group Chief Executive Officer
Emma Crystal, Private Banking & Wealth Management Chief Executive Officer
Jamel Oulidi, Private Banking & Wealth Management Chief Operating Officer
Ray Mulligan, Private Banking & Wealth Management Chief Digital Information Officer
Siobhan Boylan, Private Banking & Wealth Management Chief Financial Officer

Goldman Sachs Fireside Chat

Moderator: Good afternoon and welcome to NatWest Group's Private Banking and Wealth Management Spotlight. Today's presentation will be hosted by Paul Thwaite, Group CEO, Emma Crystal, CEO, Private Banking and Wealth Management, and Jamel Oulidi, Chief Operating Officer, Private Banking and Wealth Management. After the presentation, Claire Kane, Director of Investor Relations, will host a Q&A session with the speakers.

They will be joined by Siobhan Boylan, Chief Financial Officer, and Ray Mulligan, Chief Digital Information Officer. If you'd like to ask a question today, you may do so by pressing the Q&A button and typing your question into Zoom, along with your name and organisation. We will now stand by to go live to London, and the broadcast will commence shortly.

Claire Kane: Good afternoon, welcome everyone. Lovely to see so many of you here at Coutts, and to those of you joining us online. As you know, we're holding in-depth sessions across our three businesses this year, and this is the second one. We hope you'll get a good understanding of our private banking and wealth management business today, its strengths, the opportunities, and importantly, how it supports our Group returns. The presentation will last roughly 45 minutes, and then we'll have plenty of time for questions. I'll come back to host those.

Before I hand over to Paul, just a bit of housekeeping. You can download the slides using the QR code that's on the screen now. If you're online and you'd like to ask a question, just press the Q&A button and type your question in. And finally, if you haven't, if you could put your phones on silent.

Thank you, and I'll now hand over to Paul to introduce the session.

Paul Thwaite: Thanks, Claire. Afternoon, everyone. Good to see so many of you here, and welcome to those online as well. The focus today, as you all know, is Private Banking and Wealth Management, where we have one of the strongest brands in the UK. Here's the agenda for the day. Following this very brief introduction, Emma, the CEO of Private Banking and Wealth Management, will give an overview of the business and talk about growth. Then Jamel, our Chief Operating Officer, will cover simplification, balance sheet, and risk management.

Emma joined the bank last July with extensive wealth management experience from her time at UBS and Credit Suisse. And prior to that, she worked in global markets at Deutsche Bank. Jamel joined the Group in late 2023 from Barclays Private Bank and Wealth, and before that was at HSBC for almost 15 years, where he held a number of leadership roles, mainly in global private banking.

Then after Emma wraps up, they'll be joined on a panel for questions by Siobhan, our Chief Financial Officer, and Ray, Chief Digital Information Officer for our wealth business.

So let me start briefly by setting the context. The last 12 months for NatWest have obviously been pivotal for the bank, as the government shareholding has steadily reduced from over 20% until we reached full private ownership at the end of May.

So with the major restructuring of the bank well behind us, and a return to private ownership, we aim to build an even stronger business in the coming years. And I've always said, and you'll have heard me say it a number of times, we should not underestimate the opportunity we have to build on the strong foundations that we have.

We serve over 19 million customers across our three businesses, all with strong market positions, and all with attractive returns on equity.

The Retail Bank serves around 18 million customers, has a track record of growing share at good returns. We're the UK's biggest bank for business, a leading mid-market franchise, number one for business startups, and we have a leading private bank, Coutts, which you'll hear a lot more about today.

So I'm very excited about the potential for this business, which is why we're allocating more resources and investment to it in order to deliver on that opportunity under the new management team being led by Emma.

This slide, which is a reminder of our Group strategy, will be familiar to many, if not all of you. Our aim, as we continue to pursue growth, simplification, together with active balance sheet and risk management, is to generate attractive returns for shareholders.

You'll see these same strategic priorities reflected across all our businesses, and today you'll hear more about what they mean specifically for Private Banking and Wealth Management.

So with that, I'll hand over to Emma and the team to tell you more. Thank you.

Emma Crystal: Well, thank you very much, Paul, and good afternoon, everyone. It's really a great pleasure for me to be here today. I joined NatWest almost a year ago to lead our Private Banking and Wealth Management business, and in that time we've conducted a full strategic review, and it's personally very exciting for me today to be here sharing the significant potential that we see in the business.

I'll start with a business overview and then talk about our growth priorities before I hand over to Jamel.

As many of you know, Coutts is one of the world's oldest banks, with a history going back over 300 years, and one of the strongest brands in the UK. Our heritage means we are well known as a trusted provider of banking services for high-net-worth individuals, together with flexible and innovative lending.

We also act as a centre of excellence within the bank for investment products and solutions, providing a range of portfolios and funds for customers across the Group.

So in short, we offer a full suite of services across banking, lending and wealth management. You can see here that since 2021, we have grown client assets and liabilities 16% to £107 billion. This includes a 36% increase in assets under management and administration to £49 billion, driven by strong net new inflows and market movements.

This has contributed to higher non-interest income, which was around a third of our total income last year. It also includes deposits of £41 billion, which enables us to provide liquidity and cost-effective funding to the Group.

Operating profit and returns were lower in the last two years due to changing deposit dynamics, but as you can see, our returns grew in the first quarter to 17.1%, and we expect this to improve to over 20% by 2027.

Our trusted brand and heritage gives us an advantage, but there are other factors that also give us a competitive edge. The breadth of our offering across banking, lending and wealth management is clearly important.

Within this, we believe we have one of the best private banking propositions in the UK, with the ability to offer multiple cards, simple and complex mortgages, investment-backed lending, manage payments of all sizes and deal in multiple currencies.

We offer both a highly personalised service and an award-winning digital experience, supported by a 24-hour client call service. Last year, we were recognised both as the UK's best domestic private bank, with a net promoter score of 49, and as the best UK private bank for digital customer experience, driven by our mobile app.

Our investment products and solutions team offers a single house view from our Chief Investment Officer, with an open architecture process, giving clients access to a range of providers in the market. In addition, we are leveraging the capabilities and scale of the wider Group for the benefit of our clients. So we have key strengths and foundations from which to grow.

The breadth of our offering is also an important point of differentiation for our clients. As you can see, we offer a full range of private banking and lending services, as well as bespoke financial planning, covering key areas a client might need, such as wealth structuring, pension planning or business succession. Our investment product and solutions team offers bespoke investing, together with access to a range of funds, managed both by Coutts and by third parties.

We believe our client-focused service model sets us apart. We serve our clients through a combination of more than 250 advisors and 150 specialists. Our advisors include wealth managers, as well as private bankers and commercial bankers, for those who need access to commercial banking services.

Our specialists are experts in various product and service areas, such as estate planning, mortgages, specialist lending and financial planning. Together, they support the widely varying needs of different client groups, ranging from entrepreneurs to sports, media and entertainment professionals, to family offices, senior executives, international clients with a UK nexus and landowners.

To give you some examples, we are a leading bank for the Premier League, offering a dedicated service to professional footballers, helping them plan for the future when their playing career ends.

We know that financial services professionals typically have complex remuneration structures, so our advice takes into account the receipt of annual bonuses. We can also provide a tailored investment strategy to help diversify cash or single stock holdings over time.

We understand how to support international clients who need help to navigate the UK. They may need assistance building a network or buying a property, in which case our real estate team can help both find and buy a property, as well as structure complex mortgages. Entrepreneurs may want access to our Business Insights programme.

Throughout the year, we host a series of events on topics ranging from how to access growth capital to AI and quantum computing.

We also partner with events for entrepreneurs, such as the London Games Festival, which is London's celebration of the gaming industry. To kick off the festival last year, we hosted over 300 investors, developers and professional games players at our London headquarters here on the Strand.

[London Games Festival video clip plays]

Matt Lazenby: Coutts is a truly full-service bank, and being able to link the commercial and the private together is something that not a lot of our competitors are able to say.

Paul Franks: Having decades of experience in TV, film, music, theatre, we understand what clients and entrepreneurs need. That's a real heritage that we've got here at Coutts. We've lent over a billion pounds to all of the creative sectors since we started, and games is a growing part of this.

Darran Garnham: Coutts have been with us really from day one. Different things that Paul and the team have invited us to included us as part of the experience. When we needed advice, Coutts have been there every step of the way. It's been fantastic.

Reedah EI-Saie: He's introduced us to investors, media companies, suppliers. We've recruited people through the network, through events that we've met, so it's all combined to really accelerate our growth and our start-up journey.

Michael French: We've worked with Coutts pretty much since the first year of the festival and the first year of Games London, collaborating on getting Coutts involved in things like our finance market, our trade missions, and over the years our connection has deepened and grown to include the celebration event we run at the start of every London Games Festival.

Paul Franks: So we've supported some of the biggest games across all platforms, and we've done this by offering really innovative products, whether that's lending through NatWest, the IP product and their growth scaling, or whether it's Treasury, FX, but also connections, introducing clients to one another, also service providers. That's what makes us unique.

Matt Lazenby: What that then gives rise to a lot of the time is the opportunity to look after individuals who've been successful through their businesses and help them to build foundations for their family's wealth, allow them to go and make the next game.

Richard Jolly: And I think that was the kind of refreshing thing about talking to Coutts, is they were much more kind of matching our entrepreneurial spirit, so they look at more interesting ways of doing things. So even back in the early days when we were looking at video games tax-relief, to be able to kind of lend and borrow against that was super useful for us in the early days of project financing.

Reedah EI-Saie: The expertise in gaming is really unrivalled. I just don't think we would have achieved this kind of position without the support of Coutts.

Emma Crystal: You saw there the value we can bring to entrepreneurs, not just through our own products and services, but through the network and relationships we can open up for them through collaboration with the Group.

Now turning to the opportunity. The UK wealth market is expected to grow to £8.4 trillion by 2030 and we see this as an important growth opportunity. You can see here how our high-net-worth segment is growing faster than others where income levels per client are higher.

Industry trends are also creating new demand for services in wealth management. For example, over the next five to ten years, one of the largest transfers of wealth in history will take place as baby boomers pass an estimated £1.2 trillion down to the next generation. This will almost double the wealth held by Gen X and Millennials, which is likely to drive demand for support and advice as well as changing investment patterns.

In addition, less than 10% of adults currently receive financial advice, but when the Advice Guidance Boundary Review reports on its findings, it is likely to become easier for consumers to get the help they want at prices they can afford. This opens up an opportunity to provide a suitable proposition for millions of customers who currently receive no guidance on their savings, investments and pensions.

And of course, changes in technology are creating new opportunities driven by automation and AI, as you will hear from Jamel.

We have considered these trends in our strategic review and believe we are well positioned to take advantage of them. We have a strong brand in a fragmented wealth market with an opportunity to grow share. And I'll explain how we aim to do this, both with high-net-worth clients and customers in our Retail Bank.

So against this backdrop, these are our priorities for disciplined growth. First, we are intensifying our focus on high and ultra-high net worth clients in the UK. We aim to increase the number of clients who have more than £3 million of assets and liabilities with us by around 20%.

Second, we plan to treble customer referrals from our colleagues in Commercial and Institutional.

And third, we are enhancing our investment proposition and developing plans to extend it to more customers in our Retail Bank. In order to grow our assets under management and administration from 45 to around 50% of total client assets and liabilities.

On simplification, we are investing in our app and further digitisation of customer journeys to improve their experience, deploying technology, data and generative AI to increase operational efficiency and productivity and implementing a more cost-effective location strategy.

On active balance sheet and risk management, we are a relatively capital light business. So our focus is on pricing in order to optimise returns and placing a strong emphasis on managing risk and compliance.

By focussing on these priorities, we aim to reduce our cost income ratio from 74% in 2024 to the mid-60s in 2027 and to achieve a return on equity of more than 20% by then.

So let me turn now to our growth priorities, starting with our focus on high-net-worth clients. We want to increase the number of clients who have more than £3 million of assets and liabilities with us. And we aim to do this by both deepening our relationship with existing clients and attracting new ones.

So we are strengthening our client proposition and evolving our service model. We have done a lot of work in the past year to deepen our understanding of our client base, and we are now developing a service model that better reflects different client needs.

We have a strong bench of specialist advisors, and by improving our processes and automating more workflow, we can free them up to spend more time with high-net-worth clients. We are also becoming more systematic in the way we support high-net-worth clients, ensuring they receive the right specialist advice at the right time with the right level of attention to meet their needs consistently. Here is one of our clients meeting with his wealth manager and talking about his experience of Coutts.

[Michael Sharples video clip plays]

Michael Sharples: My name is Michael Sharples. The whole point of, for me anyway, as a client of Coutts, is that Coutts provides someone like myself, who doesn't come from wealth, but has made wealth, an experience of the wealth journey.

And one of the great things about Coutts is that they've been on the wealth journey with so many clients so many times. You need to have good advisors, and they'll give you sage advice and good advice, particularly when times get rough.

One of the things I value most about the Coutts relationship is the fact that I can pick up a phone and pay a bill or whatever that needs to happen. We offer a lot of advice, a lot of experience of wealthy people who have their own challenges with wealth. I don't look at Coutts as a bank that's there to make me lots of money, what I do look at them for is to protect the wealth I create.

Wealth is hard to make and easy to lose. I've got a relationship with Coutts as a bank, not because I'm, shall we say, it's not a business relationship, it's a personal relationship. And that's what Coutts offer.

Emma Crystal: By evolving our service model, our advisors will be able to devote more time to the personal relationships described there by Michael Sharples.

In addition to developing our service model, we are also strengthening our client proposition. We know that some clients with less than three million [pounds] in assets and liabilities invest elsewhere. So we are expanding our investment proposition both to deepen these relationships and attract new clients. I'll talk more about this in a moment.

We are also enhancing our deposit and lending propositions. In deposits, we are improving customer experience by making it easier to open and top up accounts through digitisation. And in lending, we are differentiating between simple and more complex needs, such as investment-backed lending.

As we intensify our focus on the high-net-worth segment, one way to win new clients is by increasing the number of referrals from Commercial and Institutional.

Their commercial mid-market business currently serves around 100,000 clients, including many entrepreneurs, while corporate and institutional banking serves thousands of senior executives. We are clear about how we will focus on this opportunity.

First, we plan to improve our pipeline of potential prospects by using data to understand these clients' needs better.

Second, we are making it faster and easier to manage the process all the way from identifying clients to onboarding them.

And third, we are leveraging our expertise in supporting widely varying client needs to differentiate our offer accordingly. We have dedicated teams for both entrepreneurs and business executives who are experts in catering for their specific needs.

For example, one way we help entrepreneurs is through our Business Exit Programme, which draws on 25 years of research with owners who have already sold their business. Last year, we hosted an event for 400 owners that explored topics such as the best options and timing for sale, identifying the right buyers and maximising value, preparing the remaining team for a change in ownership, as well as managing the proceeds and preparing for life after exit.

One of our current clients joined Coutts after having sold his business for over £50 million. He and his wife took three recommendations from an accountant. They chose Coutts because of the breadth of services we provide. “There were all these people who could invest our money for us”, they said, “but Coutts was able to do so much more to support our needs.”

At a life changing moment for them, we were able to help set up a trust for each of their children to help them buy property, create a family investment company to grow their wealth, mainly through Coutts managed funds, rewrite their wills with support from our estate planning team, take out a loan to buy land in Florida where they wanted to build a house. Take care of the basics by topping up ISAs and rearranging pensions to ensure they took full advantage of tax allowances, and finally find the right house to move to in the UK through our residential property service.

This is just one example of the way we can help entrepreneurs, and there are many, many more. Take Kerr McEwan, the founder of M-Squared, a commercial landscaping business based in Scotland. Kerr was a customer of Commercial and Institutional before he joined Coutts.

[M-Squared video clip plays]

Kerr McEwan: My relationship with Coutts has developed over time, initially looking at funding for our new townhouse, which was a renovation project, that then segued on to moving our buy-to-let property portfolio to the Coutts commercial banking side.

Julie Cunningham: I met Kerr about three years ago, he was introduced to me through our business development director. I'm Kerr's number one point of contact for the bank, but I will bring a number of specialists in at the appropriate time.

Kerr McEwan: The bank has supported us through good times and bad, particularly when we'd been looking at our new property, having that macro view and looking at our overall asset base for funding has been crucial, particularly as an entrepreneur, sometimes our wealth is tied up within companies.

Julie Cunningham: It's really important that we work well with our commercial colleagues, especially when we're doing a piece of complex lending, quite often we will look at company accounts to understand the undrawn profits within a business.

Kerr McEwan: I think Coutts differs its service offering through a professionalised service, a can-do attitude and an entrepreneurial mindset. It's not like a computer says no, which we've found with a number of high street banks.

Julie Cunningham: The reason that a lot of our clients come to Coutts is to bring everything under one roof, which helps not only them, but their families.

Emma Crystal: I'd like to turn now to our investment proposition as we plan to grow our share in wealth management. We've brought together our investment expertise from across the bank under a single Chief Investment Officer in order to scale our proposition and serve customers more effectively across the Group.

We now have a centralised investment process delivering consistent outcomes for clients. We operate with an open architecture process, giving clients access to a range of products across the market. And we invest globally using our anchor and cycle strategy, combining long-term strategic planning with short-term tactical adjustments based on market conditions.

Having centralised our expertise, we have created an investment proposition that is relatively simple and scalable. Our discretionary portfolio service offers six core portfolios covering different risk profiles, investing in a broad range of assets, both traditional and alternative.

These portfolios are managed by our team of expert investment professionals. As you can see on the right, our discretionary balanced strategy has outperformed the Asset Risk Consultants index on a one, three, five and 10-year basis. For those who want more control over how their wealth is invested, our advisory portfolio service enables clients to make their own investment decisions supported by an expert advisor.

Together, discretionary and advisory accounts for around 35% of assets under management and administration.

In addition, we have a range of funds available to make sure we meet the differing needs of investors. Coutts managed funds provide a choice of 9 UK domiciled funds covering a range of risk reward options with a time horizon of five years. Our personal portfolio funds are a simple way for clients to invest with just a few clicks in one of five funds, depending on their preferred level of risk.

Together, funds represent around 40% of our AUMA and around a quarter of our AUMA is custody and administration and execution-only dealing.

This proposition has helped us grow assets under management and administration at a rate of 11% a year since 2021 to £49 billion. We have attracted strong net new inflows in that time, including £2.2 billion in 2024, which was 6.9% of opening AUM. This delivered 13% growth in associated fee income. So we are making good progress.

Yet, our investment proposition is relatively limited in some areas. So we are enhancing it in a number of ways. For example, we are expanding the range of investments to offer more opportunities for clients, such as private markets and other alternatives. We are further personalising our discretionary portfolios to reflect more individual preferences. And we are upgrading our investment management functionality on the app, including our investment reporting, as you will hear from Jamel.

By enhancing our proposition, we aim to attract more clients to invest with us and increase our assets under management and administration to around 50% of client assets and liabilities.

We also have an opportunity to extend our investment proposition to more customers in Retail Banking, where our current penetration is low. We believe there are many more customers in the Retail Bank who could be interested in investing with us as we enhance our proposition and strengthen our engagement with them.

By working closely with Retail Banking, we have designed propositions that offer retail customers planning and advice at different levels, depending on their needs. Today, we can support affluent customers with a full range of financial planning for a one-off fee, from structuring finances tax efficiently, to understanding inheritance, to writing a will or managing pensions. We also offer tailored advice on investments in person, again for a one-off fee.

In addition, we have just launched an online investment advice service in March to help retail customers make decisions on how to invest. For a one-off fee of £200, they can meet virtually with one of our digital wealth managers to discuss which fund would be most suitable for them. And the fee is only charged if someone does then go on to invest. This has already attracted a lot of interest and we believe it offers great value for money.

We now have the foundations in place to attract more retail clients and serve their advice and investment needs. But there is further to go. So we are scaling our digital wealth manager service, broadening our retail proposition, for example with more pension capabilities, and using data to understand retail customer needs better so that we engage them more, for example via personalised prompts through the app.

You will hear more about our holistic banking, lending and investment proposition for premier customers at our Retail Banking Investor Spotlight in November.

That covers our three growth priorities; intensifying our focus on high-net-worth clients, increasing referrals from Commercial and Institutional, and expanding and extending our investment proposition to more customers, including those in the Retail Bank.

I'll now hand over to our Chief Operating Officer, Jamel Oulidi, to talk about simplification and active capital and risk management. Over to you, Jamel.

Jamel Oulidi: Thank you very much, Emma. Good afternoon, everyone.

I'll start with simplification, where we are enhancing our mobile app to improve customer experience, investing in technology to drive greater efficiency and productivity, and revising our location strategy to optimise talent and cost.

The strategy for our mobile app is centred around three key themes. First, putting more private banking and wealth management services in the hands of our clients. Second, using the app to promote more content and thought leadership. And third, delivering greater personalisation for clients.

We start from a strong position. The Coutts app has an NPS score of 50 and a 4.4 rating on the App Store. In 2024, we improved the digital customer journey for making deposits. As a result, deposit applications grew to 16,000, up from around 2,000 in 2023, with a tenfold increase in digital deposit inflows.

We now plan to do more digitisation in lending and expect clients to be able to renew their mortgage via the app in the second half. We also have a significant opportunity to improve our digital capabilities on investments. This will start with improved investment reporting, which is also going live in the second half this year.

Around 60% of our clients are digitally active, so we already have strong traffic through the app. But we want to increase engagement further. In the first quarter this year, we started to release more investment content by publishing our Chief Investment Officer's house view. This worked very well in April when the US announced the imposition of global tariffs. Many of our clients accessed our Chief Investment Officer insights via the app that week, and as a result, we organised a webinar attended by over 1,000 customers who wanted to hear more about our CIO. This led to net new inflows into assets under management, including from clients who have never invested with us before.

Our next step is to start building bespoke content for clients, leveraging our internal data and capabilities. Our partnership with OpenAI gives us the opportunity to use large language models to better understand our clients and provide insights tailored to their needs and behaviours. Last year, we migrated our call centre technology to AWS, which gives us richer data on client sentiment. We can also run analysis on keywords and key themes to either fix an issue or improve our services.

In addition, we intend to use the app for secure messaging to improve the client experience and reduce time to serve. For example, rather than clients receiving a phone call from an unknown number, which is to confirm a payment or request a document, which is a method being used by scammers and fraudsters, we will send clients secure messages via the app so they know we want to contact them and they can respond at a convenient time.

We are using the app to underpin our growth priorities and from 2025 to 2027, we plan to expand its investment management functionality, strengthen its role as a primary communication channel for clients and redesign the look and feel to make it easier to navigate.

In addition to enhancing our mobile app, we are also investing to simplify our journeys and processes for both clients and colleagues to improve productivity. Again, our starting point is strong. We have the benefits of running a modern single core banking system. However, all the operational processes have been run on this platform, which entails manual work and unnecessary complexity. We're improving this by leveraging Group capabilities and using Microsoft Dynamics, which is the Group standard for workflow. This will remove manual work, making our processes simpler, more agile and faster.

Our own banking platform will eventually serve as a client book of records, supporting the processes required for more complex client needs. Our first workflow implementation is going live this summer and will reduce the time it takes to deliver simple advice from seven to two days. After that, we look to improve the time to offer more complex advice, enhance onboarding and make it faster to reach lending decisions.

We're also working on leveraging Group capabilities more broadly. For example, we're in the process of re-hosting our core banking platform from a third-party provider in Switzerland to the Group data centre in the UK. This will reduce our third-party spend and provide us with a better level of support. We are also rationalising our third-party digital application providers, which will reduce our licencing costs.

Next year, we plan to migrate our CRM system from our core banking system to Microsoft Dynamics. This means we can link up with the Group CRM system, enabling our people to access Group customer data. This will make it easier for both colleagues and clients as the number of referrals grows from Commercial and Institutional. It also means we'll be able to use AI to unlock greater insight into client needs and preferences.

In addition, we are deploying AI to improve colleague experience and increase productivity. For example, we are using AI to summarise calls in order to free up our people's time. This saves up to 15 minutes for every client meeting that takes place. We also give our people access to Generative AI through our internal chatbot, enabling them to spend more time with customers.

Another simplification initiative is our location strategy. Our objective is to expand the pool of talent available, especially in technology, whilst also co-locating with other NatWest Group teams. For example, until recently, some of our non-client facing teams were based in Switzerland for historical reasons, but some activities did not really need to be there. So last year, we moved our investment operation team of around 40 people from Switzerland to the UK.

We are also moving some of our technology team from Switzerland to the UK and Bangalore in India. Bangalore is an important engineering hub for NatWest Group and has a wide talent pool of highly skilled engineers. In 2023, we had almost no people in India and we plan to have more than 200 by the end of 2027.

I would like to turn now to active capital and risk management. Our balance sheet is highly liquid, so it delivers a stable source of funding for the Group and a consistently strong loan to deposit ratio. And our business is mainly capital light, as over 80% of our clients' assets and liabilities are deposits or assets under management and administration. We manage our risk-weighted assets in line with maintaining appropriate risk-adjusted returns and we put a strong emphasis on optimising pricing and managing risk.

From a risk perspective, one of our top priorities is managing conduct risk in line with the FCA's Consumer Duty standards. This means ensuring that the responsibility for good client outcomes is well understood and owned across the business. For example, we have implemented a fixed pricing strategy for advice with clear and fair one-off fees and no ongoing complex charges. We believe this approach supports customer understanding and decision-making in line with Consumer Duty regulation. Feedback from clients indicates that they find the cost both fair and easy to understand.

We have no current legacy issues on conduct risk. We monitor client outcomes and our advisors' performance on an ongoing basis. We carry out reviews of our products and services to ensure they meet client needs and we have improved our processes and data to identify and support clients who are vulnerable.

Managing cyber risk is another key priority for us. We benefit from Group investments in this area and continued monitoring. We also carry out regular testing in line with industry requirements. This sets out a structured approach to protecting critical services, ensuring the continuous delivery of essential functions and minimising the impact of any disruptions. In addition to regular testing and simulation exercises, we are vigilant in monitoring access to and activity on our systems.

Naturally, regulation is also a key priority. The regulatory landscape continues to evolve as we are engaging with the FCA on the Advice

Guidance Boundary Review and preparing for the opportunity to provide more people with both guidance and advice on investing.

Thank you very much. With that, I will now hand back to Emma to wrap up.

Emma Crystal: Thank you, Jamel.

So to conclude, we are a leading Private Bank with one of the strongest brands in the UK and a net promoter score of 49. We benefit from the investment of the wider Group and its customer referrals. And as you have heard today, we have clear priorities to grow by intensifying our focus on high-net-worth clients, tripling referrals from Commercial and Institutional and growing our assets under management and administration to increase our share in wealth management.

As we continue to simplify our business by leveraging Group capabilities, improving productivity and implementing our location strategy, we expect to bring the cost income ratio down from 74% to the mid-60s by 2027.

And as we grow while managing our costs, capital and risk, we expect to deliver a return on equity by 2027 of more than 20%.

Thank you very much. I'd like to hand over now to Claire, who is going to chair the Q&A for us.

Thank you.

Claire Kane: Thank you, Emma. Now, Siobhan and Ray will also join Emma and Jamel on the panel for questions. So for those of you online, a reminder, if you'd like to ask a question, please press the Q&A button and type your question in.

For anyone in the room, if you could give your name and institution before you ask your question and just wait for the microphone to come round.

I'll start with you, Ben. First question.

Ben Caven-Roberts: Thank you very much for the time and the presentation. Ben Caven-Roberts from Goldman Sachs.

So just first to pick up on the point you mentioned around the network effect within the broader Group and the synergies that you achieve both through technology and client referrals. Could you just talk a bit more holistically around when you're looking ahead for the growth, if you see this more as a market share gaining opportunity for clients that you don't already have or more of a deeper penetration with the clients that you already have within the Group?

And then secondly, a digital landscape and key competition question, you mentioned the £1.2 trillion of wealth being passed down over the next five to ten years. What do you see as the key points that will enable you to capture that and in turn any potential challenges to gaining share within that?

Claire Kane: Perfect. Thank you, Ben.

So Emma, I think we'll start with you on the first, but I'm sure Ray will be able to jump in on some of the digital parts of that.

Emma Crystal: Thank you for the question. Being part of NatWest Group, it gives us several avenues for how that helps us from a business perspective. We talked about the collaboration with C&I, and as we very clearly set out, one of the growth priorities is to grow share in the high-net-worth client base. And clearly, the network of entrepreneurs and executives that we have is a clear road that supports us in bringing in those new clients. So the goal is to deepen relationships and bring in new clients. But if you think about the new client pipeline, that clearly is very, very, important to us.

I've also talked about the Retail Bank. We talk about deepening our market share in wealth management, and part of that is clearly with the high-net-worth clients, where we do have an opportunity to deepen relationships with many of our private banking clients. But we also have an opportunity to further penetrate our retail client base, we have 18 million customers. And as I said, already, the penetration is low. And so through the products and services that we have developed and continue to develop, that's something that also is a great opportunity for us.

I think also on the broader capabilities, I think Ray, perhaps you want to start?

Ray Mulligan: Thanks for the question, Ben.

I think we already have a lot of those relationships through our banking business to start with. And we've got to think that Millennials and Gen X, they're not the Snapchat generation, you're looking at them right here.

So, Jamel got it right; what we're doing with the app, making people be able to service their daily needs through the app and getting us much better, being able to show investment returns, and the investment proposition on the app.

We think that, together with personalisation, and really being able to show the client that we know a lot about what their needs [are] through the app and giving them really relevant content. We think that is the winning move here.

Jamel Oulidi: Just one build on what Emma said. It's both, Ben. We're not going to be shutting the door on new clients from the outside. Obviously, we've got a very big franchise with C&I who is super successful, but the brand resonates with a lot of clients out there. And of course, we want to keep the two channels wide open. So that's to complete what Emma was saying.

Emma Crystal: And I'll add one more thing, if I may. Jamel talked about that as well, cyber. And, these are also things that are really important to our clients, when they come to us as an organisation, having the scale that we have in the organisation to be able to have the amount of resources, thinking about cyber and fraud. This is also very important for our clients and our customers.

Claire Kane: Brilliant. Ben, we'll come to you. Thank you.

Ben Toms: Ben Toms from RBC. Thanks for taking my questions.

The first is around the expansion into the Retail Wealth Banking space. To what extent is inorganic part of the story, given that every bank talks about wanting to grow in that particular segment?

And then secondly, the Coutts brand was heavily in the press over the last couple of years. It's relatively inconsistent with the 11% CAGR growth that you had. It doesn't seem to have impacted the underlying business. Is that a fair assessment? And do you think the brand has recovered?

Claire Kane: Thanks. Emma, I think you'll answer both of those.

Emma Crystal: Pleased to do that. So first of all, I would say, we absolutely see clearly that there's a lot going on in the landscape. The wealth management space in the UK is very fragmented. So fully take that point. We're very clear that we have an organic plan that is simple and clear in terms of the priorities that we have. And we see that as an exciting road for growth for us. And as Paul is here, he said that many times before when it comes to inorganic, of course, we look at the market, that's part of what we do. But the bar is high, both from a financial and operational perspective. And, we'll continue to approach it in that way.

In terms of the franchise, I think the numbers speak for themselves. We've had very low client attrition and the business continues to show momentum, as you can see in the numbers. So, I think the numbers speak for themselves.

Jamel Oulidi: We did see a dip in the NPS, as you're referring to the events from the past. But the NPS has fully recovered since then. And I think we are at an all time high as far as the NPS is concerned. So that's where we are.

Claire Kane: Brilliant. Alvaro.

Alvaro Serrano: Hi, Alvaro Serrano from Morgan Stanley. A couple of questions, please.

On the revenues from AUMA, of the four year period, they only really stepped up in 2024. So when we look forward, I'm going to push my luck on that 60% cost income guidance that you've given us, and thanks for giving that guidance. Can you give us a flavour of the revenue sort of consistent with the growth initiatives that we could look for? Is it sort of more like 2024 or not? That's one question.

And then the second question, which is related to the prior questions around consolidation, or the market fragmentation. Who are you taking market share from at the moment that you're gaining market share?

Claire Kane: Thank you, Alvaro. So the first one, I think there is really just about the trend line in income. And obviously, nice try Alvaro, but we won't be giving you income guidance. And also just to say it's a mid-60s cost income target, not 60. Emma, do you want to take those and then also the market share?

Emma Crystal: Yeah, absolutely. Thank you for the question. You're right in terms of, if you look at the AUMA growth, the £2.2 billion of 2024, and then the £800 million at the start of Q1 of 2025, which is strong. And as we think about our plan, and the targets that I've set out here, going to a greater than 20% ROE in 2027 and also the cost income ratio around mid-60s, you think about the constituent parts of that, and it is absolutely a case where income is growing faster than cost. We are a growth business. But of course, if you think about the simplification agenda that Jamel has talked about, being very disciplined on cost is also very much part of that story. Absolutely income growth driven by the constituent parts of our CAL, which is deposits, lending, and also AUMA.

Siobhan Boylan: I was going to say, just to give you a bit of colour behind the income movement, there's a couple of constituent parts. So you're right, over the last couple of years, it's been flat, there's been a bit of product mix in there.

If I look between [20]23 to [20]24, you've got two parts to the AUMA income. So the AUA is dealing in custody, it's transactional by nature. So what you would expect when you get market volatility is a bit more trading income coming through that line.

When you look at the AUM balance, the AUM income, you've actually got to look at the average over the course of the year, rather than point to point. So when you do that, what you see is the AUM income has gone up about 12%, the balance around 15-16%. So what you get is product mix.

As we've mentioned, some of the products that we might bring in from an investment perspective, complexity of the proposition, etc, that may drive margins up. So you may get a bit of a blend of the margin up there as well. But that's generally the shape of how you look at the AUM income. So just to support that kind of growth, as you look at the balance of the book.

Claire Kane: And then one just on market shares, who are we taking share from or expect to take share from?

Emma Crystal: I'll start and then all the team can build. We've been working very hard. We've done a strategic review. We've been talking about that a lot. It's really interesting if you think about the wealth continuum in the UK. So it slightly depends which area you're talking about. There's a lot of different players. You've got the platforms on one end, international banks, etc. But what I would say, we feel we have a very unique proposition, the heritage and the history and the more than 300 years, we're known for that customer service, and the full breadth of the services that we offer. So being a leading private bank in the UK, combined with having the wealth management, that full-service offering is really what sets us apart.

And also, we've discussed as well, the collaboration across the Group, right? We talk about the opportunity to work with entrepreneurs and executives in C&I, the opportunity to further penetrate our 18 million client base with wealth management. So that combination makes us quite unique in the market.

There's another couple of things, a bit more technical, would you like to talk about the single core banking platform, Ray?

Ray Mulligan: I've done a version of this job in multiple organisations, and a single core banking platform heretofore has really only existed on PowerPoint, and as an aspiration. So it was quite novel to come here and to have that across banking and wealth management. And we have all of the product capability built in. That said, there is definitely more work to do, but that is a fairly unique proposition to be in. It gives us a lot of propositional agility that others don't.

Emma Crystal: I was going to add the last point which is important. We're very clear-headed around where we do compete. The landscape is very competitive. And so the plan that we've laid out with the clear priorities, we see where the gaps are. And this is very much our plan that we're going to execute on now.

Claire Great. Thank you. James.

James Invine: Hi there. It's James Invine here from Rothschild and Co Redburn. I've got a question on the intra-Group referrals, please.

So for the C&I referrals, I think you said you were going to treble them. Can you tell us how much they contributed to your AUMA growth or however you'd like to put it, please? I'm just wondering how significant it is.

And then when we're thinking about referrals from the retail business, are you already kind of directly targeting those retail customers? You can see that they are sending money out to another institution to invest. Are you already targeting those? And if you are, what is the success rate on that? How many of those do you convert to be a Coutts customer?

Emma Crystal So I'll start first of all on C&I. We don't disclose those numbers, but what I can say to you is, we have, of course, a history of referral. We are a Group that collaborates well and we work well together. I think the opportunity is really quite large. If you look at the franchise that we have in C&I, we just talked about the number of entrepreneur clients that we have. You think about the number of senior executives. So we have a real opportunity ahead of us to take a structured approach to that opportunity. And I'm looking at Robert who's here also in the audience.

But, the plan is really very clear and it's three things. It's around understanding the client base. So being data led, understanding which are the clients that could be interested in our services. Then it's the actual part number two, the process from identification to onboarding, making sure that that works well for everybody involved. And then thirdly, once the prospect is with us to make sure that we are bringing the right capabilities.

We have specialist teams for entrepreneurs and we also have specialist teams for executives. So making sure that we are wrapping ourselves around those clients is also going to be really important. So those are sort of the three steps. But the opportunity is significant, I would say.

And then when it comes to our retail client base, we believe the penetration is low and we believe that there is more that we can do. And we're innovating to try to meet those client needs. I mentioned the online advice service, for example, that we've launched in March because we've had a self-service offering for a while where you can invest from £50 and up. But actually what we found is that many customers want to have an interaction at that point in time. So we've just launched this digital wealth manager service where essentially customers can then sign up for a virtual session with a digital wealth manager where you do screen share, pay £200 for that, and that is automated advice. So it's too soon to say, how that will go, but early signs are that there's interest there.

Jamel Oulidi: Just to build on to answer James' point, I think we've seen the highest level of referral from Retail into Coutts in Q1 2025. And it was quite muted in the past, but we see intensity and momentum in getting the referral conversion into our business.

Claire Kane: Thank you. We'll come to you Perlie.

Perlie Mong: Hello, it's Perlie Mong from Bank of America. I've got two questions. They're quite broad questions. The first one, when I think about the risk, I think the biggest risk is probably political risk, because all the headlines around tax changes, non-doms, et cetera, probably created an image at the national level that we're not necessarily very welcome to wealth. And has that been an impact for you? And that's not just the non-dom part of it, but I guess about tax changes, et cetera, has also anecdotally, certainly if you read the FT. It means a lot of apparently city professionals are considering moving to Dubai or whatever. Is that something that you have seen? That's number one.

And I guess the second question is, again, also to do with culture. So you've talked about the advice gap, which I guess is probably commonly known in the UK, that retail investment or just generally engagement with wealth is very, very low. And if you look at just the government's chat about maybe changing the cash ISA rules has already in the Q1 data moved a lot of money into cash ISAs. So clearly, there's a huge preference for that. And you talked about $1.2 trillion being passed down. I suspect a lot of it is going to be in the form of Bomad buying property for children. So to what extent do you think that you can do anything to change the culture, to change the engagement side of things? It's not just maybe adding a function to your app, because if you think about the most successful wealth franchises, I wouldn't name names, but certainly they are operating in markets that has much more of a sort of retail wealth and investment culture.

Jamel Oulidi: I'm happy to take the second one, and then we'll go to the first one on UK resident non-dom. You're absolutely right. When it comes to mass retail and affluence, it's a very broad church. And that's the reason why the market is so fragmented. You've got platform, IFAs, wealth managers, et cetera, et cetera. Our view is when it comes to mass client and retail, it is very much a trend towards passive investments. And our answer to that is simple digital journeys into simple funds, the PPF, personal portfolio funds you mentioned in your presentation, Emma, it's fairly priced, and it works quite well, and clients do like it in retail.

When it comes to the affluence, you're right to mention the advice gap. We all tried robot advice. It doesn't work. Our conviction is face-to-face for upper affluent is what needs to happen. And when it comes to probably the middle affluent, it's probably the hybrid advice. And as Emma mentioned in the presentation, the hybrids we launched in March, and it's quite promising. It works quite well. It only takes like 90 minutes for clients to be invested, and it takes not that many meetings, actually.

So I think you're right when you talk about the way we are approaching it is through customer needs and services as opposed to products. And then back to you, Emma, for the UK resident non-dom.

Emma We all know that there were highly visible changes last year in the autumn. And clearly, clients are thinking about their options. I think that's well documented. Clients are taking advice. They are thinking about their options. What are the pros and the cons? I think it's too soon to tell what the result of all this will be. But of course, as clients think about these things, there's a lot of things that go into that. There's also a lot of things that are positive about the UK, the education system, the legal system, many people have roots here, sometimes businesses. So there's a lot of considerations. And I think we'll have to see over time how that plays out.

Jamel Oulidi: One build, if I may, all of this constant change gives us the opportunity to talk a lot to our clients and understand what they want and be on the front foot and proposing structures, solutions that will fit their needs. So we take that as an opportunity to talk to them a lot more often.

Claire Kane: Perfect. Come to you.

Sid Lall: Sid Lall, Canaccord Fund Management.

Just a quick one on the mention of widening the offering to private assets. May I ask, is that partly led by what we've heard around the Mansion House Accord, with regards to investing in not just private, but also the AIM listed stocks, which come under that umbrella? Or is it actually more the likes of private equity and private debt funds, whether it be Pollen Street or Intermediate Capital or those sort of vintages, which is seven-, eight-year type investments? I'm just curious as to why private assets, given one could argue there's a liquidity risk, maybe the outcomes are not in keeping with your consumer duty and best outcome for client if that is the case, which is something that hasn't been talked about much in the press. We're all here pushing away with private assets, which is great, but, how much and for what type of client and in what way are you going to do it?

And on a totally separate subject, if I may, could you bring to life, Jamel, that example of digital deposit you referred to? What's going to be different about what every other bank has been able to do so far on digital deposit? Is it just taking a photo of a cheque and depositing it? Or is it actually allowing your customer to deposit cash through a network of pay point type convenience stores or something else? I'm curious to hear how you bring that to life. So two very separate, different questions.

Emma Crytal: I'll start on the private markets. We're very clear that when we think about private markets, it's a sophisticated product, and so it has to be for the right clients for whom it's suitable. So as I think about the objective that we have to grow high net worth and ultra high net worth individuals, that is a client Group that does like to look at private markets and other alternatives. So that's really where I see that opportunity. And we've been quite limited so far. And so we're evaluating now, what are going to be the right products and solutions for our clients in that space. But that certainly, when you talk to clients, that's an area in the more sophisticated client base that is something that they are looking for.

Jamel Oulidi: On deposits, it's not necessarily to do with cheques. It's the term deposits that I was talking about. We're bringing more to the app and the tenor and the term of the deposits can be fully tailored to the client needs, the currencies as well. I remember from my past when deposits were rolling for large clients, everybody was on the phone and trying to compete. Now we can do everything in the app and you can choose whichever term you want to do, whichever currency, etc, etc. So it's all in the app.

Claire Kane: Great. Come to Chris.

Chris Cant: Good afternoon. It's Chris Cant from Autonomous. Thanks for taking the questions.

I just wanted to come back on your comments around the advice guidance boundary review. Could you talk about the significance of that, please? And you also mentioned a move in your CRM onto a system, I guess, more compatible with the broader Group CRMs. And just thinking about those two factors in combination, how significant is the retail component of your strategy? So I think priority one was more ultra high net worth individuals. But in terms of plumbing into the broader Group, digitalisation, the fact that you can do more stuff through the app and tap into your very large retail customer base, how significant is that as part of your strategy?

I guess it's not what Coutts has historically been about, but it feels like it's a relatively untapped opportunity if you haven't had the CRM linkages. And obviously, the guidance changes from a decade ago, kind of put a bit of a nail in the coffin of advice for Joe Public. Thanks.

Claire Kane: Great. Emma?

Emma Crystal: So I'll start with the first one and then the gentlemen will take the second one. Maybe to set the scene, we're not like some other nations that have more of an investing culture. So clearly, that is something that is on the agenda in the UK more generally. And thinking about how we can support clients, how we can educate clients at the right moments in time, in terms of what are the investment opportunities that they could consider. The advice guidance boundary review, I think is really important because it tackles one of the key issues, which is around the complexity of advice. So even though we do offer advice, but it is quite complex in many cases. And so really thinking for some of those other client needs where there's more of a need for guidance, how that works and giving that confidence into the industry as how we as an industry can do that. So it's not a sort of a change. Guidance exists today, if you will, but it's really around that clarity and giving clarity to the industry as to guidance and advice so that we can then serve the right client needs because there are different client needs.

Jamel Oulidi: One build before we jump into the tech on the advice boundary guidance, what is really interesting is what the regulation called targeted support. And people like you do these sort of things, which is not something we can do right now because it falls into the regulated advice world. So we're watching that space very clearly because when you add data to broad retail customer base and simplified guidance, that opens up a lot of opportunity for us. And I'm sure we'll cover that is it in November at our Retail Spotlight.

Ray Mulligan: And on the CRM, I'm actually going to expand on that and talk about another point you raised, which is leverage of Group. So, yes, we are leveraging the Group CRM platform. That gives us lots of advantages when we get referrals in from C&I, from the affluent space where they will have built up a lot of rich CRM data on the client.

So by using the Group platform, we can take advantage of that. We're also leveraging Group across the piece. And Jamel referred to some bits of it earlier. So, we hosted our core banking platform in Switzerland, moving that to Edinburgh, again, leveraging Group. And so we don't have the need, for example, to have our own infrastructure team, et cetera. All of that we can now leverage Group capabilities. And on some of the digital bill that Jamel referred to, again, we're leveraging Group rather than going on our own, which we have done in the past. And that has advantages, particularly with respect to the future distribution of product into affluent and retail. The fact that we're leveraging a lot of the same digital infrastructure is going to be key.

Jamel Oulidi: I think, Chris, you see a very nice digital ecosystem where everybody is running on the same platform. You overlay AI and all of the data work, and that gives you leads. That gives you top of the funnel pretty much automatically, which is something we are looking to get.

Claire Kane: Brilliant. Come to Ed.

Ed Firth: Thanks very much. It's Ed Firth from KBW. I just had two questions, if I may.

The first one was, I guess, just picking up from what you're talking about there. I mean, it seems to me that if we look across the broader landscape of banking, the digital opportunity is now providing a better and fuller service to standard retail customers at very low cost. And I'm just wondering how much you're finding that it's getting harder to differentiate a private banking proposition versus something that the mass market retail can produce. And how much are you being pushed up the value spectrum? Are you being pushed there rather than wanting to go there? You have to go there because to charge people £900 a year, you have to give something that Retail Bank doesn't give. So that would be interesting to know, just to get your thoughts about how you're seeing that.

The second question was about international. I was quite struck listening to the presentation, there wasn't a big talk about international. And it seems to me that it could be that one of the great opportunities for Coutts would be internationally. I mean, there's many, many more customers overseas than there are here. And I guess in the high-net-worth space, it's very much most of those people will be international people. So I wonder, am I right that you've decided really not to go there in a big way now? And why was that? And what was the some of the thinking behind that? Thanks very much.

Emma Crystal: So first of all, on digital, what I would say is we're very clear on how we are serving different parts of the wealth continuum. So different clients have different needs. And actually, what I would say that's quite interesting, even if you look at the high net worth and the ultra high net worth space, it's equally important to think about digital and how is the combination of digital and human interaction working. So it's sort of across the spectrum, but very much need by need for the various client groups.

When it comes to international this is exactly the conclusion that we've come to in our strategic review. We see a really exciting organic opportunity in the UK market. We've talked about those priorities here today. As part of that, we do serve international clients. And our brand, we do know does resonate in several wealth corridors. So that's something that we can still take advantage of by serving clients with the UK nexus here. And as you know many families have a UK nexus, they might have children studying here or a house here, or reasons to come here, businesses here, for example. So that's still something that we focus on. We see that opportunity as large in the UK. And also, the cost and complexity, as you think about an international footprint, we all have experience of that. And so we're very cognisant of that as well.

Jamel Oulidi: One build, if I may, and maybe Ray will come in, on the banking offering. If you look at some of our competitors, they use the retail systems to be able to provide a private banking, day-to-day banking proposition to the high net worth, ultra net worth. What we do is very different because we've built on our core banking system, a truly high net worth, ultra net worth banking proposition. We know how to deal with large payments. We know how to deal with the complexity of the relationship. And it's very difficult to do that when you use the Retail Banking rails.

Ray Mulligan: I think that's absolutely right. Particularly the currency capabilities of the platform that we have, and you mentioned folks with multiple nexi. The fact that you can have a euro account and a single debit card, and if you're making a euro payment, it'll use your euro account. If you make a yen payment, it'll use your yen account. If you have a natural source of funds in those currencies, you can maintain accounts on our system in those currencies and use one debit card to access all of that capability. That together with wealth management is a relatively unique experience, and certainly not one that you could do with the retail rails of many banks.

Claire Kane: Thomas.

Thomas Moore: Thanks for the presentation. It's Thomas Moore at abrdn.

Yes, I was interested in your ambitions in terms of AUA, because if you think back to some of your predecessors, that what the number of 100 billion of AUAs come up, I don't know whether that's still a target, but the broader context for the sector is that there are some independents with significantly more AUA without the benefits of your significant customer base, which provides this natural feeder of net flows. So I was just interested to hear how ambitious you are. Obviously, if you can carry on growing at this high single digit pace, that would be attractive, but it still wouldn't put you anywhere near the likes of the largest platforms, for example, or some of the larger wealth managers. And I just wondered, for one of the UK's largest banks, is that really ambitious enough?

Claire Kane: Emma.

Emma Crystal: We feel that we've put in place an ambitious plan. And if you think specifically about AUM and AUMA, we're very clear about the growth as we want to arrive at our 2027 greater than 20% ROE target. We think about the three parts of our revenues: deposits, lending and AUM. And we're very clear that we're saying from a volume perspective, that we want to increase the share that AUM has. That's why we've said we want to go from 45% to 50%. So I absolutely see that as a key driver of our growth going forward. We have ambitious plans and this is the start of that.

Claire Kane: Thank you. Aman.

Aman Rakkar: Hello, it's Aman Rakkar from Barclays. I had two questions, please.

One, if you could talk to the impact of interest rates as we proceed through the rate cutting cycle, what impact you'd expect on that in your business? And if you can talk to pass-throughs, any detail there would be helpful.

The second question was around the ring fence. I suspect, and I'm not quite sure on this, but I suspect your business kind of straddles the ring fence?

Siobhan Boylan: No, within the ring fence.

Aman Rakkar: Okay, cool. But can you talk to the benefits or the constraints that ring fencing puts on your business? If you were to be able to deploy some of your kind of surplus liquidity outside the ring fence, is that an opportunity that excites you or not?

Siobhan Boylan: If I may, so we're in the ring fence and we work with our treasury colleagues. It fits us perfectly. And I think the liquidity we provide helps the Group in that respect. So that's certainly a positive for us.

If I take your two other points, pass-through and interest rate sensitivity. So on the interest rate sensitivity, I think we're within the Group disclosures. You need to take two factors into account there. We are naturally more liquid. So you need to look at that factor. And if you look at our loan book, our clients have more optionality there. So you need to consider those two factors.

On the pass-through, as we've gone through the cycle, when we take pass-through decisions, the Group's average is around 60%. We're slightly higher than that. We're clearly managing for income and liquidity. So we take all the factors we need to into account, market conditions, et cetera, competitor landscape. But that kind of gives you an idea of where our pass-through is. And we see our client behaviour around that level stable.

Claire Kane: Brilliant, thank you.

Well, we had a few questions in from Amit at Mediobanca online. So this might be our final set of questions in the time.

He wanted to ask a bit about how are we going to engage with Gen X and Millennials? How big a part of our customer base are they? And to what extent is it an opportunity versus a risk perhaps for us?

And secondly, how we've partnered in the past. We've talked about partnerships with BlackRock, for example. How do we think about those partnerships and how have they developed since our last 2021 presentation?

So Emma, I think I'll hand those both to you.

Emma Crystal: Yes. It's really interesting how we think about what we have ahead of us in terms of this intergenerational wealth transfer. And the way that we're thinking about it is in a couple of different ways. So first of all, it is supporting clients who are going to go through that. And that means things like estate planning, wealth planning, speaking to clients, the giving generation, if you will, making sure to be having those conversations at that point in time. So really engaging and staying close to clients. There could also be other things around that, could be around philanthropy. There can be things around next generation education. So for example, we run curated next generation education programmes for families. So I think that is part of it.

The second part, which you've heard Ray and Jamel speak about, and you can jump in if you want to add any more, is really to make sure that we have the right digital offering. Customer behaviour is different. What are the expectations of those clients? How do they want to engage with us? What is the functionality that they want? We talk a lot about personalisation. This is really important for us going forward. We've talked about that. And as we think about our offering, making sure that we are having the right face to face and the right digital offering for those clients is going to be really important for the receiving generation.

Ray Mulligan: Yeah, I think there was a point made earlier about a Retail Bank's use of digital and contrast that with ours, because obviously with the Retail Bank, cost to serve and being able to service the client without having them leave the digital domain is clearly a major consideration. But for us, we use digital to allow a client to get to a person as quickly as possible when they need it. And if they can rapidly service their needs on the app to do that as well. That really is the digital sweet spot for us. It's not about making it such that we service everything in the app. It is really connecting a client to the organisation if and when they need it.

Claire Kane: Final point about the open architecture process we have and using providers.

Emma Crystal: Absolutely. Just to take a step back, as I mentioned in my presentation, we have our anchor and cycle, which is essentially strategic and tactical asset allocation. And then on the back of that, we have a full open architecture, which means we can work with any partner in the market. BlackRock is one example that I think has been talked about before. But we have access to full suite of partners and very much want to select the right partners for our clients, depending on which underlying asset class. But yeah, full open architecture.

Claire Kane: Well, thank you. Thank you all for your questions. We hope you've enjoyed the event, got a good understanding from the team about private banking and wealth management for us.

As we've mentioned a couple of times, the third spotlight will be in November on Retail Banking, and you'll hear more about the premier offering. So for those of you here in the room, please do join us for a drink in the drawing room just down the hall, and all of the speakers will be there to carry on the conversation, including Katie Murray, our Group CFO, and Robert Begbie, our CEO of C&I as well. So thank you very much and see you soon.