Annual Results
2025

MEDIA Conference Call
Held at the offices of the Company
250 Bishopsgate London EC2M 4AA
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FORWARD-LOOKING STATEMENTS

This transcript includes certain statements regarding our assumptions, projections, expectations, intentions, or beliefs about future events. These statements constitute “forward-looking statements” for purposes of the Private Securities Litigation Reform Act of 1995. We caution that these statements may and often do vary materially from actual results. Accordingly, we cannot assure you that actual results will not differ materially from those expressed or implied by the forward-looking statements. You should read the section entitled “Forward-Looking Statements” in our Results announcement published on Friday 14th February 2026.

NatWest Group

Paul Thwaite, Chief Executive

Katie Murray, Chief Finance Officer

Moderator Good morning and welcome to the media call for NatWest Group's full year 2025 financial results. This call is hosted by Group Chief Executive Paul Thwaite and Chief Financial Officer Katie Murray. If you'd like to ask a question today, you can do this by using the raise hand function on the Zoom app. If you're dialling by phone, you can press *9 to raise your hand and *6 to unmute when prompted. Paul, please go ahead.

Paul Good morning everyone and thank you for joining NatWest Group's full year results. Before Katie takes us through the numbers, I will start with a brief overview. You can see from our results that 2025 was another strong year for NatWest Group. We delivered an operating profit of £7.7 billion, a return on tangible equity of 19.2% and announced dividends per share of 32.5p, all significantly higher than the year before. This performance reflects the progress we have made against our strategic priorities, rooted in the support we provide to people, families and businesses in every nation and region of the UK. It is clear that our strategy is working and delivering for our customers and shareholders. And it is the strength of our performance that gives us the confidence to raise our ambition and sharpen our strategic focus, setting out stretching new targets for customer growth, productivity and returns.

Turning to our performance, on our first priority of discipline growth, our positive impact is clear to see, grounded in our deep and trusted customer relationships. Across the Group, we now serve more than 20 million customers throughout the UK, up around a million in 2025. And we delivered broad-based growth across all three of our businesses. Our customers are choosing to keep more of their money with us, with deposits increasing 2.4% to £442 billion. And they are choosing to invest more of their money with us, with assets under management and administration increasing 20%, including 50,000 customers investing with us for the first time. We are also providing the financing to help our customers achieve their goals, whether that is buying a house or scaling a business, with total lending growth of 5.6% to £393 billion.

In Retail, we continue to make home ownership a reality for more people, growing mortgage balances by over £7 billion and supporting over 50,000 people to buy their first home. And we help customers plan and manage their finances through our unsecured lending, with our stock share of credit cards increasing to 11% in part as a result of the completion of our Sainsbury's transaction. In Commercial and Institutional, we are the UK's biggest bank for business, supporting 1.5 million firms to scale and grow. Over the course of the year, lending was up around 10%, driven in particular by strong growth in the commercial mid-market, as well as amongst corporates and institutions. Within this, we provided targeted support to sectors and businesses that drive national growth, such as infrastructure, climate and transition finance, and social housing, where we extended £4.6 billion of lending through the course of the year, and have announced a new £10 billion target for the period from 2026 to 2028.

During the year, we also introduced innovative new products and services across the bank to meet more of our customers' changing needs. This included broadening our mortgage offering through the launch of family-backed mortgages, shared ownership products, and our partnership with buy-to-let specialist Landbay. For Commercial customers, it also included the expansion of our FX proposition, with 700 mid-market businesses using it for the first time last year. Finally, our strong organic growth was complemented by the successful integration of more than 1 million Sainsbury's customers and the £2.3 billion mortgage portfolio from Metro Bank. And this week, we announced a #2.7 billion acquisition of Evelyn Partners, a leading UK wealth manager set to complete in the summer.

Turning to our second priority, we accelerated our bank-wide simplification to become a more efficient bank, removing complexity, simplifying our operations, and transforming our capabilities, building a platform that can drive long-term growth and even greater productivity. We've modernised our systems. For example, we decommissioned 250 business applications across the group last year. And we've accelerated our data transformation as we move all our Retail data onto a single platform to deliver more personalised propositions.

Throughout 2025, AI has been deployed at scale across NatWest. All 60,000 of our colleagues have access to it in their daily work, and more than 12,000 coders are using AI assistants to write around 35% of all our code. This is already delivering a better experience for our customers and our colleagues. We are innovating faster and getting new services and features into the in 2021. For example, last year, we launched more than 100 new features on our retail app and saw customer advocacy scores for the app reach an all-time high. We're more productive too, with summarisation tools saving retail colleagues 70,000 hours per year, time they can spend addressing more complex customer needs.

With opportunity also comes responsibility. Last year, we established a world-class AI research office to lead innovation and cutting edge research in fields that can further protect our customers and enhance their experience of banking with us, such as advanced biometrics. And alongside our own capabilities, we announced new partnerships with global technology leaders, including OpenAI, Google, and AWS, giving us early access to new and emerging technologies that can help us better meet our customers' needs.

On our final priority, we have continued to actively manage our balance sheet and risk, creating capacity to recycle capital into areas we have chosen to grow. Through the successful delivery of our strategy, we continue to see strong capital generation underpinned by a resilient loan book, all of which enables us to invest in our business, support our customers, and deliver attractive returns for our shareholders. So, we are entering 2026 with positive momentum and confidence in our priorities as we raise our ambitions. Katie will now take you through the numbers in more detail before we come back to talk about our priorities for the years ahead.

Katie Thanks, Paul, and good morning, everyone. As Paul said, 2025 was another strong year for NatWest Group, a year in which we delivered significant income growth, tight cost control, and continued capital generation. Underlying income was up 12% at £16.4 billion, with a return on tangible equity of 19.2%. Both were ahead of the strengthened guidance we provided at Q3. Costs were £8.1 billion, in line with guidance, with gross cost savings of around £600 million, contributing to a cost-income ratio below 50%, at 48.6%. And our performance translated into strong capital returns, with dividends per share increasing by 51% to 32.5 pence for the full year, including a 23 pence final dividend. In total, we announced shareholder distributions of £4.1 billion in 2025, and announced a further

£750 million buyback earlier this week. Alongside this, earnings per share grew 27% to 68 pence, and total net asset value increased 17% to 384 pence.

Our CET1 capital ratio of 14% demonstrates the continued resilience of our balance sheet, and the strength of our capital position, with 252 basis points generated through 2025. We have a prime loan book that remains well diversified and continues to perform well, with a loan impairment rate of 16 basis points, in line with our guidance of below 20 basis points. At this time, we are seeing no particular signs of stress across our three businesses, and have no real concerns about the credit portfolio or plans to change our risk appetite. Despite the uncertainty we saw last year, our economic assumptions didn't change significantly, and they remain broadly similar for 2026. While the outlook remains complex, there are reasons for confidence in the UK economy. And although much depends on personal circumstances, in aggregate, households and businesses remain in good shape, and are navigating cost-pressures with discipline, all supporting healthy levels of customer activity and continued resilience.

Against this backdrop, we have introduced stretching new targets for 2026 and beyond, reflecting the consistency of our performance, confidence in our strategic priorities, and scale of ambition. In 2026, we now expect income in the range of £17.2 to £17.6 billion, other operating expenses to be around £8.2 billion, impairments below 25 basis points of loans, and a return on tangible equity of greater than 17%, and finally capital generation of around 200 basis points. As we look to 2028, we're also targeting a RoTE of greater than 18%, continuing our track record of returns in the high teens. This is underpinned by a revised CET1 target of around 13%, and driven by new targets to grow our client assets and liabilities by more than 4% annually from 25 to 28, reduce our cost income ratio to less than 45% by 2028, and generate more than 200 basis points of capital in 2028.

For shareholders, we continue to target an ordinary dividend payout ratio of around 50%, with surplus capital return via buybacks, which we will next consider at H1 2027. Having set out where we're aiming to get to, I'll now hand back to Paul for some words of how we plan to get there.

Paul Thanks Katie. It's clear that we are starting 2026 from a position of strength, but equally there is no room for complacency. Banking moves quickly and customer expectations move faster still. The targets Katie has set out reflect our raised ambition and belief that we can achieve further customer growth, become even more productive, and deliver attractive returns for our shareholders. As we look to our first strategic priority of discipline growth, the UK economic backdrop provides opportunities and choices, and we are well positioned to make the most of them, whether that's leveraging our leading positions in social housing and infrastructure, bringing our wealth management and investment expertise to more customers, or supporting high growth sectors. Across all three of our customer franchises, we've identified the areas where we see the most potential to grow. Let me bring that to life with a few examples.

In Retail, we have a focus on youth, families, and the mass affluent market, and we see opportunities to grow in areas such as mortgages, savings, and unsecured lending. In Private Banking and Wealth Management, we have a highly regarded brand in Coutts, and we are focused on serving more high and ultra high net worth individuals, as well as extending our investment expertise to more customers, with ambitious targets to treble both the number of Retail customers who invest with us and the number of referrals from Commercial and Institutional.

Finally, in C&I, our scale and strength gives us a strong foundation, and we see scope to extend the leading positions we have in startups, infrastructure, and the Commercial Mid-Market, as well as in areas such as trade finance and FX. Combining the reach of our national network and our colleague expertise with the scale of our customer insight and digital capabilities will help us attract new customers and add more value to our existing relationships. By continuing to broaden the propositions we offer, we can serve even more of their needs, bringing the best of the bank to every stage of a customer's financial life.

Our recent acquisition of Evelyn Partners is a prime example, creating the UK's leading private banking and wealth management business. At its heart, this transaction is about putting financial advice, wealth planning, and investment management in the hands of more people and families. It is transformational for our Wealth business and accelerates our wider Group strategy, adding scale and capabilities in an attractive market where customer needs and expectations are only set to grow. It makes financial sense, there are clear integration synergies, and critically, it is a great cultural fit, bringing together two firms with a shared commitment to their customers and clients.

On our second priority of leveraging our bank-wide simplification, the work we have done cannot be underestimated. Last year, we generated additional investment capacity of around £100 million through the simplification of our processes, the deployment of AI assistants and agents, and our transition to the cloud. This number can be reinvested to accelerate our transformation and we expect it to increase in 2026. As we look to the next three years, we must make the most of this investment to become even more productive, build deeper customer relationships, and ensure we are the bank of choice in the areas we want to grow. Our future competitive strength will be defined by how seamlessly we operate in service of our customers. AI can be an accelerant of this, helping us to know our customers better, respond to their needs quicker, and deliver differentiated services and propositions that will transform how they bank today. For customers, that must show up as banking they can trust and that feels effortless and safe with connected and personalised services available whenever and however they choose.

Turning to our final priority of active balance sheet and risk management, we will maintain our strong funding, liquidity, and capital position with a CET1 ratio of around 13% and we will continue to recycle lower returning capital as well as putting a greater emphasis on the use of advanced analytics to drive faster pricing and credit decisions and to manage risk. Before we go to your questions, let me close by saying that we strongly believe in the UK's long-term potential and we strongly believe in the active role that NatWest has to play. Just last week, we set out our five-point plan for growing together, designed to help build the connections and conditions for growth. Because our role goes well beyond lending, it is about our convening power across regions and sectors, our expert advice, and our ability to connect capital with opportunity. We want to be a trusted partner to our customers and to the UK. Our success as a business in the years ahead depends on it, because ultimately this is how we will build value in our business and deliver attractive returns for our shareholders. Thank you. I'll now hand over to the operator for your questions.

Moderator If you would like to ask a question today, you can do this by using the raised hand function on the Zoom app. If you are dialling by phone, you can press *9 to raise your hand and *6 to unmute when prompted. We'll now pause for a moment while we give everyone an opportunity to indicate they'd like to ask a question.
Our first question today comes from Ben Martin of The Times. Ben, if you'd like to unmute and ask your question.

Ben Good morning. Thank you. Paul, I had a question on Evelyn Partners. Obviously, we've seen quite a sharp sell-off in the shares of listed wealth managers since you bought, you agreed to buy Evelyn. And I was just wondering, if you were going to buy Evelyn Partners today, do you think you would still be paying £2.7 billion for it, given the fears that the wealth management industry is going to be distracted by AI? So would you pay £2.7 billion for it today? And just on that, do you think you've overpaid for Evelyn Partners? Thank you.

Paul Hi, Ben. Good morning. I was delighted to announce the acquisition of Evelyn earlier this week on Monday. It immediately turns us into the number one leading private bank and wealth manager. It transforms the scale of our wealth business, which is fantastic. Scale and capability, actually. Doubles our assets under management and provides us with a whole host of capabilities that we don't currently have, including a direct-to-consumer platform, Bestinvest, the largest employed financial advisor network in the UK, and a whole host of investment propositions. As you know, it also increases our fee income by 20%, so really changes the mix and quality of our earnings. But probably most importantly, Ben, I think it positions us for growth.

Wealth is a growing sector. It's growing at a faster rate than core banking. We know that there's - if you think about customers and the need for financial advice, financial planning, the outlook for intergenerational wealth transfer - that demand is only going to increase. And I actually think technology will help that. It's going to make advice available to more, and affordable to more. So from that perspective, I feel very confident in the acquisition we've made and the growth prospects it presents for NatWest. It's going to make us a faster growing and higher returning business.

Ben On the price point, do you think you should have paid £2.7 billion for it?

Paul Yeah, I think we're very comfortable with the value that we can create from the transaction. There's meaningful synergies, both on the cost and revenue side. And as I said, the growth outlook gives me great confidence that both in the short and the long term, it will prove to be a great acquisition for NatWest.

Ben Thank you.

Moderator Our next question comes from Laith of the Financial Times. Laith, if you would like to unmute and ask your question.

Paul Hi, Laith. We can't hear you.

Laith Can you hear me?

Paul Yeah, we got you now.

Laith Yeah, I was going to ask, it's similar, but your own share price also since that, since the announcement of the acquisition has also seen a bit of a sharp sell off. I was wondering, I suppose, what's your reaction to that? And then also, Katie, could you help me on the impairment story? What's going on there? Because I noticed, I know you said 16 basis points, so in line with expectations, but it's increased. It's sort of 670 something. It was about 390 something last year. What's the story there? And I suppose, how widely spread are those impairments?

Paul So I'll take the first and maybe Katie, you take the second. Laith, it's been a pretty volatile week for a whole host of sectors. I guess you had some of the political disruption at the start of the week. And I guess the economic commentary and disruption, not just domestically, but also internationally. We've also had an incredibly good run on our share price, as you know. So no, I'm not worried because it's the acquisition of a strategic asset. It's very attractive from a growth perspective, as I said earlier. So I feel very confident with the momentum that we have. Katie, on impairments?

Katie Sure, in terms of impairments, so 16 basis points for the year, you're absolutely right, slightly up from where we were last year. And with these impairment lines, there's lots of different things going on. One of the key things for us this year was obviously bringing in the Sainsbury's book. And you'll know, Laith, that when you recognise business, you have to recognise the anticipated losses at that point. So it's not a negative indicator that you have there, but it makes your charge go up a little bit. But as I look at the book, and we spend a lot of time kind of obviously going through this, there's no particular sector or area that we're concerned about. You know, at 16 bps, it's still a very low kind of number. The book is performing well, very, very comfortable as we move forward in terms of how it's going to continue to develop.

Paul Thanks, Katie. Thanks, Laith.

Moderator Our next question comes from Kalyeena of The Guardian. Kalyeena, if you'd like to go ahead and ask your question.

Kalyeena Hi, good morning. Paul, if my stats are correct here, I believe you're now the highest earning CEO at the bank since Fred Goodwin in 2006. And I appreciate you don't set your own pay. But can you tell us whether you're comfortable with your £6.6 million pay package and whether you think this is an appropriate moment to be returning to pre-financial crisis pay levels? Thanks.

Paul Thanks, Kalyeena. The first thing I'd say is that I recognise the senior roles in financial services, in banking and actually in wider professional services are very well paid. I appreciate that. I know that. And I believe I'm very fortunate and it would be churlish for me to suggest otherwise. As you said, you know, the exec pay policy is set by the board. It's voted on by shareholders. There's obviously a very close link between reward and performance. And it goes up and down depending upon performance. So that's all I'll say on that, really. My focus, I think, as you know, I've been here a long time. I'm very proud of what we've achieved over the last couple of years as the bank. We have a fantastic team and we're trying to make sure we support the UK economy. And that's where all my time and energy goes. Thanks, Kalyeena.

Moderator Our next question comes from William Shaw of Bloomberg. William, if you'd like to unmute and ask your question.

William Yeah, thank you very much. With the investing of £1.2 billion in tech, including AI last year, at this stage, what does that mean for graduate hires in the coming years and whether NatWest might allow headcount to fall through attrition as people leave?

Paul Hey, Will, good to hear from you. As you rightly identified there in our, I guess, our presentations and script, we've invested a significant amount in technology, not just this year, but over the course of the last two or three years. Alongside that, we've sustained a really strong graduate intake and talent pipeline. What has changed is the mix of those graduates. The profile of graduates that we recruit, I guess, today and will do in future years is very different, for example, to what we were recruiting four or five years ago. Data scientists, software engineers, prompt engineers, architecture planners. So the mix is changing significantly, but the numbers haven't changed.

But beyond graduates, we're recruiting significant numbers of apprentices. And I'm always keen that our existing colleagues, not just new joiners, have got the skills and capabilities they need to be successful. So we're also making sure and we're upskilling all our colleagues on AI and on data scientists. And actually, they're our most in demand courses and also our most in demand projects. So there's a lot of different things going on there. But net-net, graduate intake numbers are consistent, but just different jobs we're recruiting for. Thanks, Will.

Moderator Thank you. We're now going to go to Tom Saunders of The Telegraph. Tom, if you'd like to unmute and ask your question.

Paul Tom, are you there?

Tom Hi, Paul, sorry. Yeah, as you mentioned, there has been a significant amount of political disruption at the start of the week. And I want to know your thoughts on that broadly and whether it still concerns you.

Paul Yeah, thanks, Tom. More broadly, what I'd say is I'd welcome the Government's focus on growth and competitiveness. I do think that that's important. I've been public before that what we want to see is actions and policies that support growth across all the nations and regions of the UK. When I'm out and about talking to businesses, whether they're small businesses, big businesses, investors, what I hear back consistently is they want certainty, stability, and predictability. Why do they want that? Because they're really the conditions for growth. They allow businesses and investors to make long-term decisions around investment.

So that's really what I hear. So I'll leave the politics, as you'd expect, to the politicians. But my ask really is certainty, stability, predictability, create the conditions for growth. And then I think we, as big businesses, have responsibility to help shape that, not just to respond to those conditions. And that's where I see us fitting in and trying to play our part in supporting whatever the government of the day's agenda is.

Moderator Thanks, Tom. Our next question comes from Anna Wise of PA. Anna, if you'd like to unmute and ask your question.

Anna Hi, good morning. Thanks for taking questions.

Paul Hi, Anna.

Anna Hiya. Yeah, a couple for me. I'm interested to hear your thoughts on the outlook for the UK economy. The Bank of England has cut its outlook for growth and increased the unemployment forecast for the next three years. Are you concerned about that? And how do you see it playing out in consumer behaviour? Yeah. And just secondly, if I can, are there any plans for further bank branch cuts following the recent tranche that were announced at the end of Jan? Thank you.

Paul Yeah, thanks, Anna. So on the UK first, I'd say the situation is obviously pretty complex. It's complex internationally, but it's also complex domestically too. I believe there are reasons for confidence. If you look at that kind of macro environment, there are some supportive trends. We're expecting two more rate cuts this year. That should help support spending and investment. We're also expecting inflation to come down closer to target. That should ease some pricing pressure and all other things being equal support income growth. We are predicting, although the GDP print was a bit soft, we are predicting modest GDP growth this year, a resilient housing market. Yes, a small tick up in employment, but actually in absolute terms, still relatively low. So, we see some reasons for confidence.

What I would point out is that when you look in aggregate at households balance sheets and businesses balance sheets, you can see they're well positioned. Household savings has increased over the course of the last couple of the years. That means consumers, if confidence is there, consumers do have the ability to spend. Businesses have de-levered over the last four or five years and actually business investment is ticking up. So again, with the right conditions, there is the capacity there to invest. We keep a very close track on growth in different regions and nations across. And actually in January, there was some tick up in sentiment, which is good. But you'd expect me to say, you know, there is some, there is a degree of uncertainty and it affects different sectors, different regions, different parts of the population in different ways. But net-net, I'd say, yes, it's a complex situation, but I do believe there are reasons for confidence.

And then your second question was around our branches and our branch network. You may have heard me say before, the branch network is a really important part of how we serve our customers. We're very committed to ensuring people have access to our branch services and access to cash. We still have one of the biggest branch networks in the UK and actually we've announced a series of investments this year to upgrade our branches and relocate our branches to many, within many towns and cities set against the context of obviously, customers are also demanding ever increasing digital services. But we really see the successful bank has having a combination of brilliant branch network and brilliant digital services. Thank you.

Moderator Thank you for all your questions today. I'm now going to hand back to Paul to close.

Paul Thanks for joining us today, guys. I appreciate it. As ever, the media team are here for any follow ups or queries you've got. And I hope you have a good weekend when it comes. Thank you.

Katie Thank you.

Moderator Thank you for joining today. You may now leave the call.