



Q1 Results 2026

MEDIA Conference Call

Held at the offices of the Company
250 Bishopsgate London EC2M 4AA
on Friday 1st May 2026

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 1st May 2026.

NatWest Group

Paul Thwaite, Chief Executive

Katie Murray, Chief Finance Officer

OPERATOR: Good morning, and welcome to the Media Call for NatWest Group's Q1 2026 Financial Results. This call is hosted by Group Chief Executive Paul Thwaite and Chief Financial Officer Katie Murray. If you would like to ask a question today, you can do this by using the raise hand function on the Zoom app. Or if you are dialling in 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 us today. Before Katie takes us through the Q1 numbers in more detail, I will start with a brief overview. Clearly, the external context has changed since we last spoke, and events towards the end of the quarter have led to increased uncertainty for our customers. We'll talk to this later, but first, I want to focus on what we delivered through the first three months of the year.

NatWest Group's strong performance in the first quarter reflects our consistent delivery for customers and shareholders. Total income and operating profits are up on quarter one last year. We generated a return on tangible equity of 18.2%, as we continue to build a strong track record of attractive returns. And having raised our ambitions in February, these results demonstrate that our strategy is working.

We have started the year with positive momentum, with growth across all three of our customer businesses underpinned by healthy customer activity, as we help more families to save and plan for the future, make home ownership a reality for more people, and support more businesses to scale and grow. This progress is a result of clear focus and delivery against our strategic priorities, the first being disciplined growth.

We want to be first choice for customers in moments that matter, understanding what they need and providing the right services for them at the right time. For home buyers, we delivered our seventh consecutive quarter of net mortgage lending growth and £4 billion of gross new lending to first-time buyers against our target of £10 billion for 2026. We have a best-in-class offering in digital mortgages and continue to innovate in order to provide a quicker, more convenient service. Our new three-year partnership as the exclusive mortgage partner to Rightmove has now gone live, helping us be there when customers are making critical decisions. And yesterday, we announced that we are the first UK bank to offer an app in ChatGPT, providing NatWest-specific guidance around home buying and remortgaging.

As planning for the future becomes increasingly important, we are helping more people to save and invest with us. We saw 23,000 customers who are new to investing with NatWest in quarter one, compared to 50,000 through the whole of last year. Our acquisition of Evelyn Partners will complement this organic growth, expanding the services we can offer in an area where we see considerable potential for future growth, especially when the regulatory changes to targeted support and simplified advice come into force.

We have also announced a new partnership with Sainsbury's that will include a co-branded NatWest Nectar card, as well as a broader range of savings and lending products. These are due to be launched later this year, extending our reach and enabling us to support even more families with their financial needs.

As the UK's leading bank for business, we support firms of all sizes at every stage of their journey. Notably, we've onboarded 24,000 new startups this quarter, a 25% increase compared to this time last year. Our newly-launched

venture banking proposition further builds our capabilities and support for the UK innovation economy, with a dedicated team who have a deep understanding of the needs of high-growth companies as they scale in areas such as life sciences, meditech, and the energy transition. And we're continuing to expand our Accelerator program with five new hubs announced in partnership with leading UK universities, as we back founders at every stage and help them turn ambition into sustainable success.

Our second priority of leveraging simplification underpins our progress as a critical driver of growth. By reducing complexity and driving productivity, we create capacity to invest, innovate and serve our customers better. And we delivered over £100 million of additional cost savings in the first quarter. Let me share a few examples of the benefits we're seeing from our investments in tech, data, and AI.

Firstly, we can innovate faster and more efficiently. Over 40% of our code is now written by AI, and agentic software development means new features for customers can be developed in hours rather than weeks. As a result, customers are getting a better experience. The growth in startups I mentioned earlier is, in part, due to the introduction of easier agentic onboarding.

And customers are also getting better insights and information. In February, we launched an agentic AI assistant in our chatbot, Cora. This is now being trialled with 25,000 customers using natural-language conversations to help them understand their spending more efficiently. This is how technology strengthens trust by putting better tools and insights in the hands of people, not by taking decisions away from them. Done responsibly, the use of AI improves decision-making and frees colleagues to focus on what matters most, building trusted relationships and delivering better outcomes for customers.

On our final priority, our active balance sheet and risk management remains a core strength. We have built a business that positions us well for a broad range of macro environments, which gives us confidence, not just in 2026, but in our medium-term outlook and 2028 targets.

So we're pleased with the progress we're making, and in supporting our customers to achieve their goals, we are well-placed to succeed together. I'll now hand over to Katie, who'll take you through the numbers in more detail.

KATIE:

Thanks, Paul, and good morning, everyone. As Paul said, we started 2026 with positive momentum, delivering a strong financial performance for Q1 and making progress against the targets we set out at our Full Year.

Total Income excluding notable items was up almost 7% year-on-year at £4.2 billion, with an operating profit before tax of £2 billion and a return on tangible equity of 18.2%.

We continue to maintain tight control of our costs, with a cost-income ratio of 46.5%, consolidating our position as the most efficient large UK bank.

Capital generation of 65 basis points and a CET1 ratio of 14.3% leaves us well-positioned to support our customers, invest in our business and deliver attractive returns.

Taken together, customer assets and liabilities increased by £8.4 billion in the quarter, and we saw growth in both lending and deposits at a group level. Customer deposits increased by £3.1 billion with underlying strength in Commercial and Institutional, and continued growth in Retail current accounts,

which more than offset the anticipated tax payment outflows in Retail and Wealth.

Assets under management and administration are up almost 17% year-on-year at £56.7 billion, and we saw positive AUM net inflows of £900 million combined across Retail and Wealth, demonstrating continued confidence and momentum.

Turning to lending, we saw broad-based lending growth of £7.3 billion in Q1. In Retail, net mortgage lending grew by £3.3 billion, supported by continued demand from homebuyers and remortgaging activity. In Commercial and Institutional, net lending increased by £3.8 billion as we support businesses to invest and plan for the future across all nations and regions with good growth in Corporate and Institutions and commercial mid-markets, and continued demand across a range of priority areas, such as Project Finance, Social Housing, Infrastructure, and Energy Transition.

Looking across the bank, we have a well-diversified prime loan book that continues to perform well. Arrears remain low, asset quality remains strong, and we have no significant concerns at this time. As a result, we are reaffirming our guidance for impairments of less than 25 basis points of gross customer loans for the year.

Despite the ongoing uncertainty, we have not seen significant shifts in customer behaviour or signs of stress. Whilst individual circumstances do, of course, vary, in aggregate, households and businesses are relatively well-positioned with historically high levels of savings and low levels of debt. But it is clear that they are being more considered in the decisions that they take.

Given developments since the start of the year, we have updated our macroeconomic assumptions, which now see rates being held at 3.75%, as well as lower growth and higher inflation when we set out at the Full Year. As a result of this, we have taken an additional provision, which is reflected in our net impairment charge for the quarter.

In summary, we are pleased with our performance in the first quarter of the year. As a result of our consistent performance and revised rate expectations, we now expect income excluding notable items to be at the top end of our guidance of £17.2 billion to £17.6 billion for 2026. All other guidance remains unchanged, and we are confident that we will deliver what we have set out to achieve. And with that, I'll hand back to Paul for some final remarks.

PAUL:

Thanks, Katie. The strength of our balance sheet, scale of our business, and depth of our long-standing relationships mean that we can provide the funding, advice and expertise our customers need to navigate the increasing uncertainty that we have seen as a result of recent global events. During quarter one, households and businesses continue to show considerable resilience with a healthy level of activity. But of course, everyone is affected differently by the growing pressures. Having experienced the events of recent years, we are seeing customers being more proactive than ever in managing and planning their finances, whether that's bringing forward remortgaging applications, adjusting their discretionary spend, or from a business perspective, thinking carefully about investments. Ultimately, we continue to stay close to our customers and are well-placed to provide the support they might need.

Looking further ahead, whilst we are alive to the short-term challenges, we should remember that our economy has considerable strengths and

competitive advantages. Put simply, we believe in the UK and in the opportunities for long-term growth. And we believe that NatWest Group has a vital role to play in delivering those ambitions as a trusted partner to our customers and to the UK. With that, I'll now hand back to the operator for your questions.

OPERATOR: If you would like to ask a question today, you can do so by using the Raise Hand function on the Zoom app. If you are dialling by phone, you can press *9 to raise your hand and *6 to unmute once prompted.

Our first question today comes from Ben Martin of The Times. Please go ahead, Ben.

BEN: Thank you.

PAUL: Hi, Ben.

BEN: Morning, morning. Thank you. Obviously, you've posted a rise in profits that are a touch better than expected. You, like everyone else in the industry, are benefiting from higher for longer rates. Do you think you're making a little bit too much money? Do you think that the industry might start facing accusations of profiteering and that actually you could be offering slightly cheaper loans to customers and slightly better rates on deposits? And are you concerned that as a result of the fact that profits are booming, the government will decide to lift taxes on the industry in the next budget? Thank you very much.

PAUL: Thanks, Ben. Good morning to you. As you said, a strong set of results today, good positive momentum. I would call out: that momentum is underpinned by really healthy customer activity. You can see that lending is up, deposits are up, amount of customers investing for the first time is up. So that's more mortgages, more business loans, etc. So that's what underpins the underlying performance. So we're pleased with that because that... my view, that's the role of a bank to support its customers and the communities that they're operating with. And you can see the impact that we're having in terms of the financial performance.

In terms of your point around, I guess, fiscal policy, I've been consistent for the last couple of years. Financial Services as a sector is really important to the UK. It's one of our leading sectors. Banks are really important to the UK economy's growth agenda. You know, the support that banks provide to businesses, to households, allows them to invest. Strong economies need strong banks. There's a lot of evidence that that's a really important combination. So from my perspective, it's key that there is both regulatory and fiscal stability and consistency. That's important for a number of stakeholders. As you know, Ben, it's important for investors. It's important to the country if you're trying to attract international capital for projects. It's also important for business leaders to be able to plan on a consistent basis. So that's how I think about that.

But just to take you back to where you started, it's a good set of numbers, but the numbers are driven by doing things for customers. And we're pleased with the momentum that we've got. Thanks, Ben.

OPERATOR: Our next question comes from Laith from the Financial Times. Laith, if you'd like to unmute and go ahead.

LAITH: Hello, Katie. I was going to ask actually about underwriting standards. You guys, I mean, it's all sort of about the private credit and asset-backed lending stuff that's obviously very interesting right now. You guys loaned into Century Capital, which was one of these bridging lenders that went bust in February. There's obviously a lot of other businesses. We've had some very high-profile bust ups. I mean, first of all, how have you revised lending? Have you sort of had a look over your portfolio to see if all of the asset-backed businesses that you're lending to are all fit and proper and due diligence was done correctly? And what do you think about lending across that space?

And just so I understand, Katie, because it looks like you took an economic provision for the Iran war, but you just reaffirmed guidance on impairments, basically saying that we don't think that customers will be massively impacted just yet. You're just taking the impairment because of the accounting rules around if there's an economic fallout. Could you explain a little bit more what that is? I mean, is it reasonable to reaffirm impairment guidance if you've got this huge exogenous shock? Yes, probably for those two fairly lengthy questions, but yeah.

PAUL: Okay, Laith. Katie.

KATIE: Can I kick off on impairments?

PAUL: You want to go first with impairments and I'll go private credit. Go on.

KATIE: Yeah, sure, thanks. Thanks, Laith, and thanks for your question. So look, first of all, I think it's important on impairments to stand back and say, what does the book look like? We know that it's a well-diversified prime loan book. It continues to perform well. And you're absolutely right when you look at it. We see low arrears, good, strong asset quality, and no significant concerns. But what we have done is to do an update on our economics today. And then just what that then does relatively mechanistically, as you put that through the models, it says, well, actually, if your economics have slightly higher unemployment, slightly lower growth, then ultimately you would expect that to have some impact on your impairments. So you take this extra provision, which is a kind of net £110 million number. And what that's done is taken us to the quarter to kind of 26 basis points.

But we know if we took that kind of overlay out, then actually you're sitting at 16 basis points. So well below the kind of annual charge that we're expecting of 25 bps. So we do kind of see that actually, as we look forward from here, given the strength of the book, given the little bit extra that we've added, if

things do go a little bit off from customers, actually we're in good shape and that's why we feel very comfortable today confirming the less than 25 basis points for the year. Paul, can I hand back to you?

PAUL: Yeah, of course. Thanks, Katie. And Laith, so on your first question, a couple of points I'd make. One is just on the specific of Century, just to be clear on that, we didn't lend into the entity you referenced. Our exposure was to a holding company. So not related to the bridging finance. I wouldn't want you to conflate the two issues there. In terms of Private Credit more generally, our exposure is via senior securitisation lending. That's very well diversified. It's all investment-grade quality. We've had no losses to-date and as you know, we haven't been involved in any of the cases that have been widely talked about. Our growth has been very thoughtful and very disciplined over multiple years there. We're very selective in the counterparties and protections we have. And our strategy really has been to prioritise risk-adjusted returns and structural protection rather than volume growth. That's obviously been a fast-expanding market, but we've been very disciplined.

Like everybody, as various events occur, we review the portfolio and we're very satisfied that we haven't seen any parallels between those cases in the public domain and our exposure. So very, very comfortable with the level of exposure and its performance. Thanks, Laith.

OPERATOR: Our next question comes from Anna Wise of PA. Anna, please unmute and ask your question.

ANNA: Morning

PAUL: Hi, Anna.

ANNA: Hiya. Yeah, a couple of questions for me as well if that's okay. Firstly, in your new economic scenarios, you have unemployment peaking at 5.7 and GDP at 0.4. This is quite a bit weaker than the Bank of England's kind of most extreme scenarios that they put out yesterday. So I wondered if you could just explain your thinking there.

And secondly, you mentioned that people and businesses are being a bit more considered and proactive in response to war in the Middle East, but there aren't significant behavioural changes. So could you just give me a bit more detail in terms of what you're seeing and what they're doing?

PAUL: Yeah, of course, Anna. Why don't I start with the customer piece and then I'll come back to the scenarios. On the customer side, as you rightly say, our take is that households and businesses are being more proactive than ever in terms of making adjustments. I think that's not just because of what's happened in the last four or six weeks. I think it reflects the last couple of years. You go back to tariffs last year, Ukraine, interest rate rises, even the pandemic before that. So I think what you see is customers more alive to circumstances and responding.

So what are we seeing? If you look at savers, big picture in aggregate, savers are well-positioned, household savings is good. We're not seeing any changes in kind of rundown of savings. There's no changes in mix. People aren't shifting out of instant access to term. So relatively steady there.

On the spending side, we are seeing some small adjustments. If you look at the spend, obviously, higher fuel prices are having an impact. And you can see that there's less fuel being purchased now than there was this time last year in the range of 15% to 20% down. Discretionary spend more generally hasn't changed that much. It's actually up slightly, but you can see some slight change within categories. So spending on eating out has dropped off a little bit, but relatively modestly at 3.5%. There is some evidence, as there was actually in February, around customers generally searching for value, whether that's retailers, discount retailers, etc. So that's what we're seeing on savings and spending.

On the mortgage side, mortgage market has been strong for the first quarter of the year in reaction to the potential for interest rates not coming down. And there's a lot of acceleration of remortgage activity during March. That's, again, very proactive, but very rational by customers. So we saw some significant weeks of applications during March.

And then maybe to finish on that point around, on the business side, lending demand was still strong during quarter one. What you can see in terms of impacts is probably more in manufacturing than, for example, in services. So there's a little bit more pause for thought around investment and hiring. So that's what we're seeing on the business side. But the big structural things like infrastructure, energy, utilities, project finance, there's still very strong demand on that side.

So hopefully, that gives you a broad picture just of what's happening at the moment. We're obviously staying very close to it.

On your first question around scenarios, I guess what you quoted for us was our Base Case. Obviously, what we prepare is a broad range of scenarios. You'll see them in our disclosures and our releases today. The Bank of England did the same yesterday. They had a broad range of scenarios. So the tick up in unemployment for us to 5.7. The GDP growth is kind of our Base Case. I think the comparison you made is one of the more extreme cases on the Bank of England side. So there's a really broad range of scenarios.

The reality is that they are exactly that. Their scenario is based on assumptions. And we'll see as we go through the year exactly how the different economic variables play out. Thanks, Anna.

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

KATIE: Hey, William.

OPERATOR: William, you are currently muted if you'd like to unmute and go ahead to ask your question.

WILLIAM: Thanks very much. Can you hear me now? Sorry about that.

PAUL: We can. Yeah, we got you. How are you?

WILLIAM: Right. Yeah, very well. Thank you. Earlier this week, Lloyds warned about the risk of rising unemployment in light of what's going on in the Middle East. Do you share those kind of concerns? And if so, what do you see as being the risks to the economy and to NatWest?

PAUL: Okay, great. Okay, thanks, Will. As we've updated our economic scenarios today, if you look at our Base Case, you can see that we are expecting a modest pickup in unemployment. I would stress it's an assumption, but it is a relatively modest pickup.

Looking forward, I think what you can expect if you have a slightly... if you have higher inflation, interest rates coming down slower than, I guess, originally anticipated and slightly slower GDP, that's quite a natural response. I also think in terms of the impact on banks and banking would be that may lead to some softer demand, whether that's in the business lending market, whether that's in the housing market. So we've also adapted our assumptions there, but we're still expecting growth in both, but just not as much as we'd originally anticipated. So I think that's where you would likely see some of the impact on demand.

As Katie talked to earlier, we're reconfirming our guidance on impairment, so we're not expecting any material change in asset quality. And when you look at our credit portfolios at the moment, the performance remains very strong and we've seen no deterioration yet. Hopefully, that gives you a sense of it, Will. Thanks.

OPERATOR: Our next question comes from John-Paul of The Daily Mail. John-Paul, if you'd like to unmute and ask your question.

JOHN-PAUL: Good morning. Thanks very much for taking my questions. I just wanted to ask a little bit more, first of all, on the economic situation. Some of your colleagues in the sector have talked about stagflation. Is that something you are concerned about? It looks like it from the forecast of 0.4% growth and rising inflation.

Just also on another point, your results show a £1.8 billion reduction in assets under management, largely thanks to negative market movements. On the markets, I just wondered if you, given the jitters that there are in the bond markets over the Middle East situation and over the forthcoming local elections and political instability, are you concerned about the impact of some of that instability on markets and on the wider business, please?

PAUL: Great. Thanks, John-Paul. Good to hear from you. On the macro and the economics, so what I'd say about that is, obviously, the events of the last kind of six weeks or so have made the environment more uncertain for customers

and more uncertain for businesses who operate in the environment. I would say, though, we've seen a lot of resilience. Quarter one activity across the sector and for us has been strong, so customer activity has been good. So that's our overarching view.

Obviously, the near-term outlook is a bit more subdued, given some of that uncertainty. We've revised our assumptions. You alluded to some of them, so we're expecting slightly lower growth, higher inflation, rates to stay at 3.75%. So, obviously, the position is unclear and uncertain. None of us know exactly how it's going to pan out over the course of, I guess, the rest of the year. A lot of that will depend on the duration of, I guess, the kind of energy shock and the energy supply issues.

Everybody's affected differently, though, John-Paul. If you look at households and businesses, a lot of them are relatively well-positioned. Historically-high levels of household savings. If you look at leverage for corporations, it's relatively low. Excuse me. So from that perspective, there is a degree of resilience in the system, but you can't step away from the fact that if you look at some of the sentiment surveys, confidence has been impacted. For example, if you look at the GFK, consumer confidence, there was falls in April. You saw falls in PMI in March, but actually, you saw that tick up again in April. So, there's definitely a sentiment and confidence issue, which all relates to the uncertainty.

JOHN-PAUL: Is it stagflation that we're looking at?

PAUL: The way I'd characterise it is just slower growth and a slower path of rate reduction. So, that's how we've characterised it in our economic assumptions. Looking through it, though, I would say we still remain confident in the long-term strengths of the UK economy. Some of the structural investments that are required around infrastructure, project finance, renewables, will support the economy over the medium term. But the big question is how long the conflict lasts and how long the energy supply is interrupted. So, that's a long answer to your first question.

On the second question on assets under management. And interesting, actually, as you say, the value of our assets under management dropped during March because that's driven by markets. They've actually come back through April. You can see where markets are at. So, actually, the drop that you've seen in March has recovered in April. So, if we were striking the results today, you'd see that in our assets under management had reversed those losses. What's interesting is our customer investments, what we call our net new money, has remained strong. So, customers are still investing over 8% of net new money. So, there's still the appetite to invest. And I think the outlook for investments will really depend on how the economy pans out over the course of the next six months. So, hopefully that just gives you a sense of it, March versus April. Thanks, John Paul.

OPERATOR: We're going to go back to Tom Saunders of The Telegraph. Tom, if you'd like to unmute, and we'll try you once again.

TOM: Hi, can you hear me now?

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PAUL: Yeah, we have got you now, Tom.

TOM: Good, apologies about that. Yeah, I just had two quick questions.

Firstly, on the sort of economic forecasts. Obviously, you provided a range here from sort of upside to extreme downside in most cases. Obviously, this is predicated on how long the Iran war lasts. What's the Base Case? I mean, I think Lloyds yesterday said, you know, assumed there was going to be no super-quick end to this. It would sort of gradually recede over time.

Secondly, on private credit. So, from what I understand, obviously, you're reviewing what you've lent out at the moment. But there is no sort of, there are no areas which you're, I guess, moving away from. I think Barclays said there were particular areas in structured credit which it was deciding to move away from, given the wider economic... yeah. But yeah, those were the two questions.

PAUL: Okay, so quickly on the private credit one, that's right. Obviously, it's a relatively small percentage of our group lending. We've been very consistent with that over multiple years. We haven't felt the need, given we've had no historical losses. We haven't been involved in any of the very public cases, to materially change our appetite. We believe we manage our risk very well in that area, and performance to-date is evidence of that.

On your first question of scenarios and economic assumptions: yeah, we've shared a broad range there from upside, Base Case, downside, extreme downside, etc. You can see in our disclosures what the Base Case reflects. The GDP growth, Unemployment Rate, House Price Index, etc. So that assumes that the current events continue, but that they unwind during the course of the year. That's uncertain, as you alluded to. Nobody knows, but that's what we'd expect. That's the Base Case we currently have. Thanks, Tom.

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

PAUL: Okay, thank you, everybody. Appreciate the questions, the Press Office and the Media team are around if you want to follow up on any specifics. Wish you all a good, long bank holiday weekend. Cheers.

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