

Commercial & Institutional

In 2022, NatWest Group announced the creation of Commercial & Institutional, which brought together the Commercial, NatWest Markets and RBS International customer businesses. The new segment is a step forward in becoming a simpler bank to deal with, bringing the best of our expertise to better support our customers’ needs. In a particularly challenging environment, Commercial & Institutional effectively supported customers manage the increasing costs of doing business from both interest rate and inflationary pressure, continued developing innovative digital capabilities and remained committed to providing award-winning sustainable financing solutions to support customers to transition to greener business practices.

Total income	Net loans to customers
£6,413m	£129.9bn
2021: £4,838m	2021: £124.2bn
Other operating expenses	Business accounts opened (incl.Mettle)
£3,563m	130,000
2021: £3,646m	
Operating profit	Tyl payments processed
£2,547m	69.5m
2021: £2,241m	2021: 39.3m
Return on equity	Climate and sustainable finance and funding in 2022
12.2%	£20.3bn
2021: 10.9%	
Customer deposits	
£203.3bn	
2021: £217.5bn	

We remain fully committed to supporting businesses to manage the increasing costs of doing business with a comprehensive package of support measures. In 2022, we contacted over 0.8 million customers to offer information, support and advice through proactive communications, our specialist relationship managers and local business hubs positioned across the UK. Alongside our extensive outreach programme, our Business Current Accounts remained available without a minimum charge, while we froze the standard published tariffs and committed to no increases to published fees for 12 months. Moreover, through our deep sector expertise and service offering, we tailored support for the most impacted sectors, including a £1.25 billion lending package for the farming industry, as part of a range of supportive measures for our c.40,000 agricultural customer base, which is facing extreme impacts on supply costs and profit margins – this is in addition to other support measures, such as capital repayment holidays and increased overdraft limits.

Establishing the new segment enables us to build even longer and deeper relationships with our customers, by providing support at each stage of their journey. As the biggest bank for businesses in the UK and a committed champion of startups, we are removing barriers to enterprise, tackling inequality and supporting growth by helping entrepreneurs achieve their ambitions. In 2022, we supported over 53,000^(*) individuals or businesses through enterprise programmes, with over 269,000^(*) interventions delivered. Of those supported, 32%^(*) were purpose-led, 34%^(*) were from ethnic minority backgrounds and 59%^(*) provided support to women. We also offer the UK’s largest free business accelerator network which continued to grow this year with the launch of our new Enterprise Hub to support our Accelerator programme at the University of Warwick, and the opening of a new hub in Southampton, taking our total number of Enterprise Hubs to 14. Our commitment to new businesses resulted in the opening of over 130,000 new Business Accounts (including Mettle Accounts) in 2022.

By extending the reach of our proposition, we provide a more comprehensive product offering to our customers, where and when they need it. In 2022 our corporate FX services were used by over 650 new corporate and institutional customers for the first time. In addition, our award-winning FX and long-standing expertise in fixed income, capital markets, and bespoke financing solutions, supported customers in navigating the challenging macro environment and managing their risk. We are accessible for customers through our expansive UK footprint and presence across Europe, Asia and the US.

(*) Within the scope of EY assurance. Refer to page 70.

Guided by our purpose and our aim to deepen customer relationships, we continue to support our customers with their ESG and climate-related finance needs. In 2022, the Commercial & Institutional segment provided £20.3 billion in climate and sustainable funding and financing. Our role as a cornerstone lender in the first greenfield solar transaction in the UK since 2018 demonstrates our commitment to leadership in renewables sector project financing. The syndicated loan will enable our customer to fund the construction of up to 1GW of solar capacity across the UK and the Netherlands, enough to power over 300,000 households, while creating local employment opportunities. To ensure as many SMEs as possible can realise the bottom-line benefits from their carbon-reduction efforts and innovation, we reduced the lower threshold for our Green Loans offering for SMEs from £50,000 to £25,001, so more businesses can access funding to transition to more sustainable practices. We also launched our digital Carbon Planner, a free-to-use digital platform designed to help UK businesses identify potential cost and carbon savings.

We continue to be a leading underwriter of Green, Social and Sustainability finance after winning several awards at the Environmental Finance Bond Awards 2022 (including ‘Lead manager of the year, social bonds – local authority/municipality

award’), as well as being presented the ‘Leadership in Sustainable Banking award’ at the Jersey Finance Sustainable Finance Awards 2022.

Finally, as a relationship bank in a digital world, we continue to evolve our digital, data and technology capabilities to provide an easier and more insightful banking experience for customers. In 2022, digitally-initiated commercial service requests more than doubled compared to the previous year. In addition, 83% of our customers are actively using digital channels to interact with us. Improvements in our digital lending journey now enable business customers to utilise our self-serve digital channels to apply for up to £50,000 of borrowing and receive an automated decision within minutes. Alongside this, our innovative merchant acquiring platform Tyl saw over £3.1 billion of transactions in 2022 – a 104% increase from 2021. Furthermore, we announced a strategic partnership with Voden Group to create a banking-as-a-service business for the UK market. This will enable us to create new and exciting opportunities for our customers to seamlessly integrate financial solutions into their ecosystems, including payments, deposits, point-of-sale credit and merchant cash advances.

Financing sustainability goals



Providing expertise and collaboration

As a relationship bank, we strive to anticipate our customers’ future needs. In 2022, NatWest Group was able to help Compass Group, a world-leading food service business, understand how sustainable financing could help it achieve its long-term sustainability goals.

Serving billions of meals each year in more than 40 countries and employing and engaging with over 500,000 people, its aim is to do so in a way which better benefits people and the planet.

The company’s sustainability strategy seeks to maximise the positive social and environmental impact it has across its value chain and includes a commitment to reach net-zero emissions across its global operations and value chain by 2050. The Sustainable Development Goals illustrated are ones towards which Compass Group strive to make a positive impact.

Given the scale of Compass Group’s operating expenditures, and the way these contribute to its sustainability targets, assistance in formulating the design of its sustainable financing framework was needed. This required a fresh approach which wasn’t pre-determined by market precedent.



NatWest Group’s breadth of structuring experience in the sustainable finance market meant Compass Group was fully supported in carrying out a review of expenditures which aligned with its sustainability ambitions across outcomes relating to environmental as well as social factors. Each was carefully assessed for the contribution towards its strategic targets, to ensure only the most material projects were included.

Importantly, facilitating the investment in sustainability for Compass Group should prove to be a key driver for growth for the business, helping to meet its clients’ environmental and social commitments.

This, we believe, is the value that Commercial & Institutional can provide to customers and stakeholders. By bringing together a depth of expertise and collaboration across the bank we are there for our customers’ current and future needs.