

# Private Banking

Within Private Banking, we serve the banking, lending and wealth management needs of UK-connected high-net-worth individuals and their business interests through the Coutts & Co brand, and the investment needs of customers from across NatWest Group via our Investment Centre of Expertise. As the first UK-headquartered private bank to become a certified B Corp, clients can rely on Coutts & Co to provide exceptional service, while managing their wealth responsibly.

Total income	Net loans to customers
<b>£1,056m</b>	<b>£19.2bn</b>
2021: £816m	2021: £18.4bn
Other operating expenses	AUMA
<b>£610m</b>	<b>£33.4bn</b>
2021: £523m	2021: £35.6bn
Operating profit	AUM net new money
<b>£436m</b>	<b>£2.0bn</b>
2021: £350m	5.6% of opening AUMA balances
Return on equity	Climate and sustainable financing and funding in 2022
<b>24.5%</b>	<b>£0.2bn</b>
2021: 17.0%	
Customer deposits	NatWest Invest/ Royal Bank Invest/ Coutts Invest users
<b>£41.2bn</b>	<b>c.90,000</b>
2021: £39.3bn	2021: c.79,000

In 2022, we continued to put our climate ambition into action. From 1 February 2022, the Personal Portfolio Funds available through Coutts Invest, NatWest Invest and Royal Bank Invest include a commitment that a minimum of 50% of assets by value in each fund will be on a net-zero trajectory. From 18 July 2022, the Coutts Managed Funds and discretionary portfolios include a commitment that a minimum of 20% of assets by value in each fund or portfolio will be on a net-zero trajectory. As of the end of the year, £6.5 billion of AUM are invested in funds that are on a net-zero trajectory<sup>(1)</sup> and are decarbonising at an average rate of 7% per annum.

Building on existing Coutts mortgage products that offer discounted arrangement fees for purchasing a more energy-efficient home (EPC rating of A or B) or for making improvements to improve energy efficiency (EPC rating C and above) Coutts launched a pilot for its Greener Homes Service. Providing bespoke advice to help participating customers overcome the barriers to retrofitting, the service includes a free energy performance assessment, details of retrofit costs and benefits, and the option to implement recommended measures through a pre-vetted supply chain. 30 customers are participating in the initial pilot of the Greener Homes Service, with further enhancement planned. In 2022, Coutts completed £241 million in mortgages for properties rated EPC A or B.

Business exit is an incredibly important moment for any entrepreneur. Drawing on the knowledge and insights of entrepreneurs who have been through the process, we've created a free programme to share 20-plus years of our research. In March, we launched a series of video masterclasses from industry experts available to all entrepreneurs, regardless of whether they are a client. In 2022, we have taken 45 owners and Financial Directors, representing ownership of more than £572 million of shareholder value, through our Business Exit Programme.

Continuing the collaboration with Business Growth Fund, we have now raised over £80 million through the UK Enterprise Fund (UKEF). The fund is closing the year in a strong position with over 47 companies now backed. These companies are well spread across the UK with 73% outside of London and the South East, diversified across new economy sectors, with over 20% of companies actively addressing climate change.

(1) Net-zero trajectory is a commitment, credible plan or action taken to achieve net-zero greenhouse gas emissions by 2050.

The UKEF is proud to support female founders and their businesses with over 22% of the portfolio invested in female-led companies, alongside supporting initiatives such as investment-ready workshops run by BGF, NatWest Bank and Coutts & Co, as well as executive coaching for female and ethnic minority founders.

In December 2022, in line with our aim to build financial capability and lower barriers to investing, we completed a nationwide launch of our Digital Assist for Investment service across the NatWest Bank and Royal Bank branch network. Branch customers now have the option to speak to a Digital Wealth Manager who can give them guidance on how to use our Automated Advice service. This involved training over 1,730 branch staff across 650+ branches in the UK. The colleagues trained reported a 157% increase in their confidence to talk about investments and our branch-based Senior Personal Bankers helped over 100 customers in December with their long-term savings goals.

In October 2022, Coutts & Co Collective was launched, making it easier for clients to donate to charity. Supported by the Charities Trust, the scheme allows clients to give to causes that support social and environmental issues. By donating collectively, clients can make a bigger difference to the causes they care about with high-impact, pre-vetted charities.

The chosen charities are The Prince's Trust, Future Frontiers and Ocean Generation. 100% of all donations are received by the charities.

In June 2022, we launched our new Coutts & Co digital service through our app to our personal clients. We have introduced several easy-to-use digital features such as integrated biometrics for enhanced security, digital cheque deposits, spend controls, first-time beneficiary payment authorisation as well as authenticated web and app messaging (live chat). Client adoption has been high, with over 80% client activation<sup>(2)</sup>.

(2) Of clients invited to use the service.

## Accelerating the interactive entertainment sector



### Coutts championing high-growth businesses

We're committed to helping clients reach their potential: connecting with, and contributing to our wider society. By championing new businesses, we can encourage growth and create value for our clients and the economy.

To help us achieve this, Coutts was delighted to launch a new Accelerator programme during 2022 for ambitious individuals within e-sports, gaming, social media or streaming.

The interactive entertainment industry has experienced healthy growth in recent years which is expected to continue to increase in the post-pandemic world. Valued at US\$197 billion in 2022, the global gaming market is now on track to surpass US\$225 billion by 2025.<sup>(1)</sup>

The Coutts Interactive Entertainment Accelerator programme was designed to help UK entrepreneurs scale their businesses in this growing sector and take them to the next level.

Delivered in partnership with NatWest Accelerator, this bank-wide initiative allowed entrepreneurs to access and learn from business and industry experts. Whether they had been thinking about setting up a business or been running a business for a while, this fully-funded programme helped them access



new markets, fund expansion or attract new talent to build more effective teams.

During the six-month programme, applicants benefited from a range of useful services, including one-to-one coaching with our experienced business acceleration managers, access to thought leadership and events, a network of like-minded peers, focused support from experts and co-working spaces in one of our nationwide hubs.

We believe this help can give interactive entertainment entrepreneurs essential early assistance, empowering them to grow their business further and faster and overcome challenges to reach their full potential.

(1) Newzoo, Global Games Market Report 2022.