

# Retail Banking

In Retail Banking, we’re focused on helping our customers reach their financial goals. From budgeting and saving, to supporting our customers to make more sustainable choices, our mobile app combined with exceptional colleagues are helping us to deliver our goal to become a relationship bank in a digital world. We want to deepen relationships with our customers by supporting them at key moments in their lives, improving their financial health and resilience and supporting younger generations to plan for the future. By providing personalised insights, we are helping our customers to understand how decisions they make today could affect their future finances.

Total income	Net loans to customers
£5,646m	£197.6bn
2021: £4,445m	2021: £182.2bn
Other operating expenses	Rooster Money new card openings
£2,484m	c.89,000
2021: £2,437m	
Operating profit	Customer needs met digitally
£2,824m	88%
2021: £1,968m	2021: 85%
Return on equity	UK mortgage flow share
28.6%	13%
2021: 26.1%	2021: 12%
Customer deposits	Climate and sustainable finance and funding in 2022
£188.4bn	£4.0bn
2021: £188.9bn	

Our priority is to support our customers as the cost of living rises and, by engaging customers early, we can help those facing financial hardship. We have conducted c.0.7 million financial health checks in 2022, 76,000 more than in 2021, and have proactively spoken to 1.45 million customers to provide additional support through regular customer care campaigns. Our ‘Know My Credit Score’ tool and budgeting help in our mobile app assists our customers to act promptly and understand their credit options. We have created an online cost of living hub which shares resources and support provided by us and third parties, and which has attracted 346,000 visits. Our £4 million of donations provides support through collaboration with organisations including Citizens Advice, The Trussell Trust, Step Change and PayPlan.

Our ambition is to provide the best digital experience with access to the best people. We remain focused on improving the digital experience of our customers, with 88% of their needs currently met digitally. We’ve reached our highest ever levels for customer satisfaction, which reflects the increasing number of customers who use us as their main bank. Our AI virtual assistant, Cora, fully supported 48.4% of customer queries without handing over to a human and we’ve made it easier to book an appointment in our branches or through our video channel with over 330,000 video appointments held in 2022.

Our digital platforms help to make banking safe and more convenient. Our digital account opening journey has significantly reduced the associated cost of fraud and improved the experience for our customers with record satisfaction levels. We’ve made payments simpler and safer with a new payment hub in our app, while biometrics now enable 46% of payments. Our ‘Card reveal’ feature makes it easy to access card details and complete online purchases and ‘PIN reveal’ allows our customers to view their PIN on their app, with over one million pin reveals displayed in the mobile app, supporting our customers with their sustainability transitions by significantly reducing the number of PIN reminder slips sent.

We know how important it can be to save for unexpected bills, so we have supported c.0.5 million customers to start saving in 2022. We have increased the interest rate for our digital regular savers and Round Ups make it easy to save little and often with over 1.25 million customers signed up since it was launched last year, saving a total of £138 million. We’re helping future generations to create good habits through Rooster Money and saw c.89,000 new card openings to build financial resilience

across the family. Saving towards the future can be difficult so it is important to help our customers make their money work harder and grow over the longer term. Our digital investing platforms, NatWest Invest and Royal Bank Invest, allow customers to invest from £50 into a choice of five funds depending on their approach to risk and time horizon. 31,000 new investment accounts were opened on the platform in 2022.

We want to help our customers to use credit responsibly and have regularly reviewed our affordability checks to prevent customers from over-stretching. Our overdraft cost calculator has been used over 3.5 million times since its June launch and our soft search for credit cards gives customers the eligibility information they need without impacting their credit score. We launched a 30-month 0% balance transfer card which can help customers pay off outstanding debt, and our buy-now-pay-later offering gives our customers choice and control around how they manage their money with safeguards in place to help customers to use the facility responsibly.

Despite volatility, we remained in the mortgage market throughout the period with our full product selection and continued to provide a consistent service to help our customers to purchase their homes, growing our UK market flow share to 13% with total mortgage balances of £187.2 billion. We

supported 232,000 customers to move to a new deal and allowed customers to remortgage six months before the expiry of their existing mortgage, to help our customers to secure a rate earlier in a rising rate environment. Our over payment process has been simplified and our higher LTV products continue to provide customers with the flexibility they need in a challenging environment. Our investment in digitising the mortgage journey has resulted in 19,600 applications digitally and allowed us to launch a market first purchase decision in principle and remortgage journey with price comparison websites.

How we use our money today could change the world tomorrow and help to make a greener planet. We’ve had over 531,000 visits to our climate change hub and 333,000 customers have used our carbon tracker to understand and reduce their carbon footprint. To provide sustainable growth in the future, our aim is to encourage our customers to make more sustainable choices through lifestyle changes and home energy efficiencies. We supported our customers with £2.2 billion in green mortgages, offering a lower rate to encourage customers to make their homes energy efficient. Our cards are now made from 86% recycled plastic, which is expected to save 23 tonnes of plastic and 50 tonnes of carbon dioxide a year.

## Building money confidence



### Teaching positive financial habits with Rooster Money

We believe it’s vital for young people to feel confident and capable with money.

Enabling financial capability early in life is an essential tool for developing good money management in adulthood. And as young people adopt technology at an earlier age, the need to build these skills in a digital environment becomes even more important.

That’s why, in 2021, we decided to acquire Rooster Money and integrate it into our wider youth proposition. The pocket-money app and pre-paid debit card enable parents to help their children to feel financially capable by teaching budgeting skills and encouraging saving to develop positive habits.

The contactless card gives children aged six and over more independence, while staying safe with spending notifications, limits and freezes managed within the app. Rooster Money’s chore and star capabilities can also help children with their understanding of money from the age of three. As well as reaffirming our purpose-led ambition to attract and support the financial needs of more young people and their families, we also believe the Rooster Money proposition makes sound commercial sense.



The number of 18-year-olds in the UK is set to grow 20% by 2030<sup>(1)</sup> and there is increasing competition to provide this cohort with a digital pocket money proposition in their younger years. We believe we will be able to take a bigger share of the bankable (but currently unbanked) youth market by leveraging our strong customer base, offering a solution to parents for banking young people all the way through childhood.

In the short term, this will help us to engage customers in other youth products (for instance, growing Junior ISA volumes), increase the wider engagement of current parent customers and attract new families to us.

In the longer term, these young customers will graduate into primary adult customers, driving value for the bank for decades to come.

(1) Office for National Statistics.