

How we create value.

1. Our resources

Financial

 We make appropriate use of shareholder capital and other forms of financial capital, including £431.7 billion in customer deposits.

Human and Relationships

 We rely on an engaged, healthy and inclusive workforce to deliver our strategy to 19 million customers in the UK and Ireland.

Our relationships with all stakeholder groups help to shape and support our strategy and operations. This includes our shareholders and regulators, suppliers, consumer and campaign groups, local communities and more.

Natural Resources

 We understand we are part of the natural world, benefiting from resources including paper and water to conduct our business activities. We were jointly the first company worldwide to sign up to all the Climate Group initiatives on electric vehicles (EV100), energy productivity (EP100), and renewable power (RE100).

Infrastructure

 Customer infrastructure includes online and mobile banking, video banking, our High Street branches, Post Office branches, intermediary channels, contact centres, telephony, webchat and cash management services, as well as self-service options such as ATMs and Cash Deposit Machines. We also depend on our property and technology infrastructure, and that of our supply chain, to run the bank's systems and operations.

Our critical technology systems have been available 99.98% of the time and typically over 95% of branches have been available each day during the pandemic, other service channels have remained fully available.

2. Our business activities

Our strategy

Our strategy is to deliver on Our Purpose and drive sustainable returns to shareholders through four strategic priorities. These are: supporting customers at every stage of their lives; being simple to deal with; powered by innovation and partnerships, and; sharpened capital allocation (refer to pages 4 to 7 for more information).

Our customers

We support our personal, business, commercial and institutional customers with financial services that meet their needs. Understanding and delivering help for what matters to our customers is what we seek to do every day.

We believe in treating customers fairly, offering flexibility to our customers in how they choose to bank with us and providing extra help to customers in vulnerable situations or financial difficulty. This includes keeping their funds safe and secure, improving financial capability and supporting enterprise.

Our business model

We earn income from interest charged on lending to our customers and fees from transactions and other services. We pay interest to customers who place deposits with us and to investors who buy our debt securities. We also make reward payments on products like our Reward bank accounts and credit cards. The attributable profit generated is either returned to shareholders or retained and reinvested into new and improved products and services for our customers.

Our products and services

We support the financial lives of our customers and drive economic growth through our well-known brands. We provide a comprehensive range of banking and financial services to personal, business and commercial customers via our franchises. Examples include current and savings accounts, credit cards, mortgages and investments for our personal customers; to banking, lending, project finance, risk management and trading solutions for our large commercial customers.

Our partners and networks

We work with a diverse range of partners to help shape our business strategy and deliver positive outcomes for customers and society. This includes our supply chain, communities, academia, regulators, expert advisors, consumer groups and charities, as well as strategic partners. We are also members of, or signatories to, a large number of organisations, trade bodies and frameworks that help us create long-term value and balance the interests of stakeholders.

3. How we create value for our customers and society

We are a relationship bank for an increasingly digital world. We champion potential so the people, families and businesses we serve can thrive. We will break down barriers, build financial confidence, and help to tackle climate change.

Our Purpose-led strategy has been developed using the five principles of the Blueprint for Better Business⁽¹⁾, considering the needs of all stakeholders in the way we operate. In addition, we are members of the UN Global Compact and founding signatories of the UN Principles for Responsible Banking, committing to an ongoing process to align our strategy with the 2015 Paris Agreement and the UN Sustainable Development Goals. **Examples of how we create value include:**

 <p>Supporting enterprise</p> <p>Our areas of focus For more information refer to pages 20 and 21.</p>	<ul style="list-style-type: none"> ■ £32.4 billion gross lending to SMEs and mid-corporates in Commercial Banking. ■ Since we brought our Entrepreneur Accelerator network in-house in 2018, a minimum of 2,416 jobs have been created by businesses supported through the Accelerator programme. 1,004 of these jobs were created in 2020.⁽¹⁾ ■ In January 2020 we launched our £1 billion funding for Female Entrepreneurs; as a result we lent over £1 billion to female entrepreneurs, which included support through the government loans schemes. 	<p>More opportunities for business and enterprise</p>
 <p>Building financial capability</p>	<ul style="list-style-type: none"> ■ We have helped over 600,000 customers to start to save and reached 2.9 million people through financial capability interactions.⁽²⁾ ■ MoneySense has been running for over 26 years, during which it has helped over 9 million young people. 	<p>Helping people make better financial decisions</p>
 <p>Climate and sustainable funding and financing</p>	<ul style="list-style-type: none"> ■ In 2020, we supported customers with £12 billion climate and sustainable funding and financing through 186 deals, for a range of customers on their decarbonisation ambitions.⁽¹⁾ ■ NatWest Group has been announced as principal banking partner of COP26. 	<p>Taking action on the risks and opportunities climate change presents to us and our customers</p>
 <p>Jobs and the economy</p>	<ul style="list-style-type: none"> ■ One of the largest UK employers with a workforce of 59,822. We recruited 390 graduates, 115 apprentices and 261 interns in 2020.⁽³⁾ ■ Payment of £1.14 billion in tax to the UK Government, which supports central government and local authority spending.⁽⁴⁾ ■ Publication of an interim impact report (Jul-20), detailing that proceeds from the €750 million social bond (Nov-19), created an estimated 6,900 jobs in some of the most deprived parts of the UK. 	<p>A responsible business supporting employment across the UK and Ireland</p>
 <p>Protecting our customers</p>	<ul style="list-style-type: none"> ■ Prevented 572,665 cases of attempted fraud amounting to over £252.3 million in the UK.⁽¹⁾ ■ Malwarebytes, a security tool made available via our Online Banking platform, has been downloaded over 145,000 times. 	<p>Keeping money safe and accessible for our customers</p>
 <p>Improving digital capability</p>	<ul style="list-style-type: none"> ■ 78% of our active personal current account customers are digitally active, using either mobile or online channels.⁽¹⁾ ■ We have 9.4 million active digital customers. 7.7 million actively use our mobile app and 4.7 million use our online banking platform. 	<p>Offering customers more choice and ways to bank</p>
 <p>Community and charitable giving</p>	<ul style="list-style-type: none"> ■ Our colleagues and customers raised £10 million for the National Emergency Trust's (NET) Coronavirus Appeal. ■ We supported the DEC Coronavirus Appeal, raising £387,954. ■ Our colleagues volunteered 13,599 hours. Good causes received over £3.2 million through colleague generosity. 	<p>Our colleagues make a difference supporting charities and local communities</p>
 <p>A healthy and inclusive culture</p>	<ul style="list-style-type: none"> ■ Progress continues on our inclusion agenda to value diversity in all its forms and to be gender balanced, ethnically diverse, disability smart and LGBT+ innovative. ■ We flexed and evolved our existing wellbeing plans to build learning, provide practical tools and support our colleagues during the pandemic. 	<p>Building a great place to work that reflects the society we are proud to serve</p>
 <p>Homes and Housing</p>	<ul style="list-style-type: none"> ■ Helped 258,000 customers with mortgage payment holidays during the coronavirus pandemic. ■ More than 32,000 first time buyer mortgage customers.⁽¹⁾ ■ Our new Green Mortgage helps customers purchase more energy efficient homes by lowering their interest rate costs, rewarding them for playing their part in the fight against climate change and supporting 50% of our mortgage book to become Energy Performance Certificate (EPC) C or above by 2030. 	<p>We are helping more people access efficient homes</p>

(1) For more information about Blueprint for Better Business refer to page 17.

(2) Includes instances where customers had existing savings with other banks and transferred them in to their NatWest Group account.

(3) As at 31 December 2020, includes all global permanent employees.

(4) Comprises £113 million corporate tax, £498 million irrecoverable VAT, £177 million bank levies, £269 million employer payroll taxes and £87 million other taxes.

(*) Within the scope of EY assurance. Refer to page 66.