

How we create value

Our long term success is dependent on serving our customers well and generating value for society through our products, services and facilities.

1. Our key resources



Financial

We make use of shareholder capital and other forms of financial capital, including £360.9 billion in customer deposits.



Natural

We make use of energy and resources such as paper and water to conduct our business activities. We have committed to RE100 and pledged 100% renewable electricity in our global operations by 2025.



Infrastructure

We rely on online and mobile banking, our high street and Post Office branches, mobile vans, telephony, webchat and self service options like ATMs and cash deposit machines. In support of these channels during 2018 our technology systems have been available 99.96% of the time.



Human and Relationships

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

2. Our business activities

Our customers

We provide financial services to personal, commercial, large corporate and institutional customers.

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

Our business model

We earn income from interest gained on loans to our personal, business and commercial customers, as well as fees from customer transactions and other services.

We pay interest to customers and investors who have placed deposits with us and bought our debt securities. We also pay customer benefits, through loyalty products like our Reward Account.

The attributable profit generated is either re-invested to improve products and services for our customers or returned to shareholders.

Our products and services

We provide a comprehensive range of banking products and related financial services to personal, business and commercial customers. We serve our customers 24/7 through the Royal Bank of Scotland, NatWest and Ulster Bank networks of branches, dedicated business relationship managers, mobile banking, digital banking, contact centres, intermediary channels and ATMs.

We are helping people to build and grow businesses through innovative enterprise programmes and financing. We support commercial customers and large finance projects and also offer financing, risk management and trading solutions through our NatWest Markets business.

3. How we create value for our customers and society



Protecting our customers

- Prevented 598,174 cases of attempted fraud amounting to £251.7 million in the UK(*).
- Trained over 150,000 colleagues and customers as part of Friends Against Scams' commitment to provide training to one million people across the UK by end 2020.

Keeping money safe and accessible for our customers



Building financial capability

- Over one million Financial Health Checks with our personal, private and business customers(*).
- MoneySense has been running for over 24 years, during which it has helped over 6.5 million young people learn about money.

Empowering customers to make better financial decisions and achieve their goals



Jobs and the economy

- One of the largest UK employers with a workforce of 67,400. We recruited 231 graduates and 285 apprentices.
- Payment of £1.36 billion in tax to the UK Government, which supports central government and local authority lending⁽¹⁾

A responsible business supporting employment across the UK and Ireland



Supporting enterprise

- £30.0 billion gross lending to SMEs and mid-corporates in Commercial Banking.
- More than 390 jobs created by businesses participating in NatWest's Entrepreneur Accelerator programme since April 2018(*).
- Our Skills & Opportunities Fund distributed £1.35 million (from a total of £2.5 million) to support people to start or develop a business now or in the future.

Helping people develop, build and grow businesses



Improving digital capability

- 72% of our active personal current account customers used either mobile or online channels(*).
- We have a TechXpert in every branch empowering customers to take advantage of digital and mobile banking.

Offering customers more choice and ways to bank



Transition to a low carbon economy

- Target of £10.0 billion of funding to sustainable energy projects between 2018 and 2020.
- We enhanced our energy lending policies to reduce fossil fuel exposures.

Addressing the risks and opportunities climate change presents to us and our customers



Community and charitable giving

- Our employees volunteered 100,368 hours.
- We supported the Indonesia Tsunami DEC Appeal, raising over £120,000.
- Good causes received £4.4 million through colleague generosity.

Our colleagues make a difference supporting charities and local communities



An inclusive culture

- Progress continued on our inclusion agenda to value diversity in all its forms to be gender balanced, ethnically diverse, disability smart and LGBT innovative.

Building a great place to work that reflects the society we are proud to serve



Housing

- 45,043 first time buyer mortgage customers(*).
- We supported the UK Government's Help to Buy schemes, helping 7,700 customers on a Help to Buy mortgage scheme, totalling £1.4 billion.

We are helping customers to get onto the property ladder



We welcome the growing prominence of the Sustainable Development Goals (SDGs). It has helped us to understand our own contribution against the framework and global goals. In 2018, we completed an assessment of our business activities against the SDGs and we are engaging with a range of stakeholders to help us further align our strategy to the SDGs in 2019.

Notes:
(1) Comprises £348 million corporate tax, £583 million irrecoverable VAT, £180 million bank levies and £250 million employer payroll taxes.

(* Limited assurance provided by Ernst & Young LLP.