



H1 Results 2023

MEDIA Conference Call

Held at the offices of the Company
250 Bishopsgate London EC2M 4AA
on Friday 28 July 2023

FORWARD-LOOKING STATEMENTS

This transcript includes certain statements regarding our assumptions, projections, expectations, intentions or beliefs about future events. These statements constitute “forward-looking statements” for purposes of the Private Securities Litigation Reform Act of 1995. We caution that these statements may and often do vary materially from actual results. Accordingly, we cannot assure you that actual results will not differ materially from those expressed or implied by the forward-looking statements.

You should read the section entitled “Forward-Looking Statements” in our Interim Results announcement published on Friday 28 July 2023.

NatWest Group

Sir Howard Davies, Chairman

Paul Thwaite, Chief Executive

Katie Murray, Chief Finance Officer

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Operator

Good morning and welcome to NatWest Group H1 Results 2023 Media Call. This call is hosted by Chairman Howard Davis, who will be joined by CFO Katie Murray and CEO Paul Thwaite. If you would like to ask a question today, you can do this by using the raise hand function on the Zoom app. If you are dialling by phone, you can press star 9 to raise your hand and star six to unmute when prompted. Howard, please go ahead.

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Howard Davies, Chairman

Thank you and good morning and thank you for joining. I suspect you may have questions about the events of the past few days, but I also want to ensure we don't forget our primary goal this morning, which is to take you through our results in the past six months and to provide a view on the outlook.

I should point out there's also a new face sitting alongside me. Paul Thwaite. I am very pleased that Paul accepted our offer to step up as CEO for at least the next 12 months, and I'll ask him to introduce himself briefly in a moment. Before we move on to our results, I'll make a couple of points at yesterday's board meeting, we agreed the terms of reference of an independent review led by Travers Smith into the handling of Mr. Farage's accounts at Coutts and the way in which information about that issue has been handled within the bank.

The terms of reference will be available today in the findings of those linked reviews will be released in due course. Like any chairman, I serve at the shareholders behest, but my intention is to continue to lead the board and ensure that the bank remains sound, stable and able to support our 19 million customers. The last few weeks have been a painful period for the bank, and we apologise for the uncertainty created for customers and shareholders during that period.

We took the view on Tuesday that even though mistakes had been made, it was on balance rights to retain Alison Rose as our CEO. But the reaction was such as to convince her and the board that her position was untenable. But that is now in the past. None of this means we should lose sight of the success of this bank today against sustained, difficult economic headwinds the group delivered a strong financial performance in the first half of the year. The tough economic climate means we need to be there supporting our customers more than ever. And I know the team, led by Paul, will be focused on helping those customers find ways to improve their financial resilience and navigate challenges should they find themselves in financial difficulty.

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They will bring a down to earth approach to our retail customers as much as he has done in the business bank for several years. The outlook for 2023 and 24 remains challenging, with markets watching interest rates extremely carefully, although very recent inflationary indicators suggest we now may be starting to turn the corner. I'd now like to hand over to Paul Thwaite to introduce himself before Katie Murray takes you through our results.

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Paul Thwaite, Chief Executive

Thank you and good morning, everyone. I'd like to begin by saying that despite this week's obvious adversity, how proud I am to lead this bank. I've met many of you over the past few years, and I'm sure I'll get to know all of you better over the coming months. I've been part of this organisation for 20 years, but given it's my third morning in the job today, as I hope you'd expect, I'll leave Katie to cover our half year results.

She'll talk to you about the good progress the bank is continuing to make, and alongside how it will answer any of the questions on results that you may have. It's an understatement to say that these are not ideal circumstances for which for anyone to take over. It's clear to me that we got some things wrong. It will take time to address some of those challenges, but I've already taken action and I'm determined we learn and start to move forward quickly. It's also important to remember we've built a great business full of great people over the last few years. We have a clear strategy that is delivering well, and you can see that in the results announced this morning. My priority in the weeks ahead is working with our customers and our colleagues across the entire business.

This is about strengthening their trust and above all, it's to reassure customers that we're here to serve them and to move forward as an organisation. Thank you. Now passed over to Katie.

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Katie Murray, Chief Finance Officer

Thank you, Paul. Good morning, everyone. The bank's strong performance for the first half of the year is underpinned by our all-weather balance sheet with robust liquidity, a stable deposit base and a well-diversified loan book.

As a result, we're able to grow our lending responsibly, provide support to our customers, and deliver sustainable returns to our shareholders in an uncertain economic environment. During the course of H1, we generated an operating profit of £3.6 billion, up 37% on the same time last year and a return on tangible equity of 18.2%. As we've seen from other banks results this week, we are slightly lowering our NIM guidance for the year, in part because of

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competitive pressures in the mortgage market and the mix of deposits as you see a greater move to interest bearing assets from a non-interest bearing. But we remain confident that we will deliver income of £14.8 billion in 2023 and returns at the upper end of our 14-16% guidance. And we are proposing today an interim dividend of £500 million with around £190 million of that going back to the Government as well as announcing a further £500 million on market buyback.

Looking more broadly, the economy is performing better than expected when we last updated our economics. However, inflation does remain relatively high, and rates have continued to rise, resulting in ongoing uncertainty, giving this macroeconomic environment and higher rates, we have taken the decision to strengthen our payment reserves. NatWest Group is well placed to weather these challenges, as demonstrated through this year's Bank of England stress test results.

Our lending is well diversified and performing well, growing by £6 billion in the first half of the year. Impairments remain low at or below pre-COVID levels. We are not seeing any signs of material financial distress within our loan book. But we know some businesses and households are really struggling right now and others are anxious about what the future holds.

Many are changing their behaviour to meet their individual circumstances. Some are transferring savings into fixed term accounts that pay higher rates or managing their debt, including overpayments on mortgages. Others are managing the increased cost of living by substituting their spending for cheaper alternatives or cutting back on essentials, including food and fuel, in order to make ends meet. We are providing proactive, tailored support to those who need it most.

Whether that's hardship funding delivered by our charity partners or providing options to extend mortgage terms, our aim is to give people breathing space to take control. To that end, since 2020, we have helped 2 million people save £100 for the first time. We are offering 6% on our digital regular saver to reward those who start saving. And our fixed term accounts offer very similar rates. Our pass-through rates to savers have also continued to increase, with around 75% of the two most recent rate rises pass-through. For commercial customers, we are offering targeted support to individual businesses and to sectors that have been seriously impacted by higher fuel and energy costs, including a £1 billion energy efficiency fund for manufacturers.

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As the UK's number one commercial bank and second largest mortgage lender with 19 million customers, we have a vital role to play in our country's future economic prosperity, helping to deliver sustainable growth and investment in critical areas, as well as delivering sustainable returns to our shareholders. Thank you for taking the time to dial in today. I will now hand back to the operator for questions.

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Operator

Thank you very much. If you would like to ask a question today, you may do so by using the raise hand function on the Zoom app. If you are dialling by phone, you can press star nine to raise your hand and start six to unmute once prompted. When you are prompted, we ask that you limit yourselves to two questions each to allow more of you the chance to ask a question. We will pause for a moment to give everyone an opportunity to signal. Thank you.

And our first question comes from Ian Withers of Reuters. Ian, could you please unmute and go ahead.

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Iain Wither, Reuters

Hi, good morning and thanks for your time this morning. A couple of questions for Howard, if that's okay. I appreciate what you've just said, Howard, but have you considered your position or the timetable for your departure in recent days? Are you confident the board has the backing of its investors, including the government? And second, can you explain why the board changed its position on Alison on Tuesday evening?

Was that the board's decision or was it the governments? Thanks.

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Howard Davies, Chairman

Thank you. Well, it'd be surprising if I hadn't reflected on my position. So the answer to that is yes. But the position is as follows. There are two underlying questions here which the which the bank has been criticised. One is the handling of Nigel Farage's accounts. And there the board was not involved, as indeed it should not have been.

It is not involved in making decisions on individual customer accounts. The second was the way in which that information was discussed with a journalist and again, the board was absolutely not involved in that. So I don't think that there are any grounds to criticise the

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board for those two underlying problems. There is, of course, then the decision that the board made to keep Alison Rose in post.

We made that decision based on a careful assessment of the upsides and the downsides of doing so. Bearing in mind our responsibility ultimately to shareholders, but also to other stakeholders in the bank, we believe that was a rational decision to make at the time. However, the reaction, the political reaction to that was such that Alison and I then concluded, and the board supported the view that her position was then untenable, she would be running the bank in the face of very difficult headwinds and therefore we made a different decision.

Clearly, in retrospect, you can say we could have made a different decision, but we did so with, I think, a proper assessment of the risks. We said this was an offense for which there should be criticism and indeed we should have remuneration consequences. But we thought that on balance it was right to keep her on running the bank.

As for now, and my understanding is that we do have the support of our main shareholder and of the regulators for us to continue to steer this bank forward. The situation is, of course, as we announced in April, that we are undertaking a search for my successor because under the terms of the Corporate Governance Code, my term would normally end in 2024.

That search is underway. We set it up in a timely manner and is under the leadership of my senior independent director, as is completely normal. In the meantime, I serve, obviously, as I said, at the behest of shareholders, but will continue to do so. And because I think that it's important that there is some stability here in the bank and that we maintain our progress.

And eventually, of course, there will be an orderly succession, both for me and indeed the new chairman. We'll have to review the CEO position. But Paul has kindly agreed to be in place for an initial period of 12 months and then we'll see. But obviously, I can't make a judgment on that. Thanks.

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Iain Withers, Reuters

Thank you.
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Operator

Thank you very much.

Our next question comes from Ben Martin of The Times. Ben, if you could please press star six to a mute and we'll hear your question.

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Ben Martin, The Times

Hello can you hear me? Yes. Thank you. Lovely. Howard, was the government fully aware of the details of the first statement that you put out on Tuesday, the way you initially backed Alison?

So what I'm getting at here, were they fully aware of what you're going to say, did you engage with them fully before the board made the initial decision. And secondly, what sort of pay off, what sort of remuneration is Alison going to get? Thank you.

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Howard Davies, Chairman

Yeah, Thanks very much for those questions. On the second one, we cannot give you any information on Alison's pay at this point because as you will have seen, we have commissioned an independent review into the circumstances of the account closures and also into the circumstances surrounding the information that went into the public domain from the bank.

And therefore, until these reviews are complete, we cannot make those decisions. Eventually they will be made and of course they'll be disclosed in the normal way, in the director's remuneration report. As for the first, I took soundings, as you would expect, of various stakeholders in the bank about the situation, about the way in which Alison Rose was reviewed and that formed part of the background to our decision.

But the decision was the board's decision, and the statement was the board's statement and my statement, and I am not seeking to associate anybody else with that. But as you'd expect that clearly, I did take soundings to see what people's opinions were. Thank you.

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Operator

Thank you very much. Our next question comes from a Kalyeena Makortoff of The Guardian. Kalyeena, if you could please unmute and go ahead.

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Kalyeena Makortoff, The Guardian

Hi. Good morning, Howard. I mean, could you tell us how you feel about the government influencing the decision for Alison to leave? And do you think the fact that the bank is taxpayer owned has influenced this decision on how it's all played out?

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Howard Davies, Chairman

Yeah, I don't have feelings. I'm not that sort of guy. I have rational assessments of where we are in running the bank. I simply take note that this has been highly exceptional circumstances. The government, in the normal way during my eight years here, has not interfered with commercial decisions in this bank and indeed I'm grateful to them for that.

They have allowed us to manage the bank in a way that is in the interests of all the shareholders. Clearly, these were very exceptional circumstances, and the government took a view which was not the view that the board had taken. And in those circumstances, you just have to ask yourself, well, is it then possible to continue in the face of that that headwind?

Theoretically, it would have been possible, but I and Alison concluded that would just be too difficult and that maintaining the position of the bank and her authority in the bank would just be too much of a struggle. I clearly regret the way things have turned out and we've lost a great leader as a result, but I now have to look forward.

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Kalyeena Makortoff, The Guardian

Thank you and could you also explain whether the board was conflicted or unanimous about those decisions versus the one that came at sort of around 6 p.m. that we heard about and the final decision for Alison to resign?

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Howard Davies, Chairman

We were unanimous at all points.

Thank you.

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Operator

Thank you very much. Our next question comes from Sid of the Financial Times. Sid, if you could unmute, please go ahead.

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Sid Venkataramakrishnan, Financial Times

Thank you. Good morning. Apologies, I missed the line, but what was the position on Mr Farage's account? Will he get his account back at Coutts or NatWest? I know there was one was offered and secondly has to ask about the proposed changes on the account closure regime. And just curious to get your perspective on that and what that's something that you feel should have been in place before.

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Howard Davies, Chairman

Yes, on the on the first point, you'll appreciate that it isn't appropriate for me to talk about the status of his accounts, whether Coutts or NatWest. I really should not. And will not do that. But as you say, it has been widely reported that he has been offered alternative banking arrangements. But that's as much as I wish I wish to say about that.

Sorry. Your second point was the general. Yeah, the general point about the closure regime. Yes. Well, there's been a sensible discussion with the economic secretary about how the rules and guidance and possibly law might be changed, and I have to say, I have some sympathy with the idea that it some greater clarity would be helpful in this.

I think we'd actually welcome that. As a matter of fact, at the moment, all banks have to make different rules and different approaches for themselves. And I think one positive outcome of these unhappy events for us might be that some kind of coherent practice should be devised for how account closures to be handled. But I would like to reassert that we do not close accounts on the basis of people's legally held views.

We would have always said that. But I do think, in fact, that the idea of some clarity would not be unhelpful in the banking system because I think everybody is struggling a bit with this issue, whether it's financial crime or what have you. So I think that I welcome actually the fact that this debate has been opened up. I think it's helpful.

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Operator

Thank you very much. Our next question comes from Jill of The Sunday Times. Jill, please do press star six to unmute and go ahead.

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Jill Treanor, The Sunday Times

Hello. Good morning. Howard, could I just ask you, when you first discussed with Alison Rose, whether or not she had been the source of the leak and at what point that was first discussed

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with the board. Secondly, could I just ask if you could give us a little insight about why Paul Thwaite was the person you decided to pick from the executive team?

And I just wanted to ask Paul Thwaite, if you could tell us what other management changes do you think are going to need to be made. And it's not clear to me if you said who's going to replace you.

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Howard Davies, Chairman

Thanks Jill. Let me pick up the first. Well, I think it was during the course of last week that the story began to develop, that the Simon Jack piece had been sourced from within the bank and therefore I discussed that with Alison and said that the board needed to have a clear statement from her about what she had said in this conversation.

And we devised that over the weekend. We met on Monday to discuss it, and that led to the events of this week. So that was the that was the timeline. On the Paul Thwaite point. There's a very straightforward answer to that, which is that the board has kept up a succession plan and we have always had a view as to what we would do in the event of an unexpected departure.

And we considered that again actually a few months ago and decided that Paul Thwaite was the right person to be that emergency successor. That plan was discussed with Paul himself, who obviously not expecting this necessarily would happen, but was prepared to take that on. We also discussed it with both our regulators who in the normal way would expect you to have a succession plan.

And they said that was that was fine by them. So, in fact, we were simply in a position where we could open the drawer and pull out what our succession plan was. I'm very happy with it. To emphasise, I've worked with Paul quite closely for the last four years because he's run the commercial bank has therefore appeared at the board at most board meetings.

Not for all of them, but to present the results of his business. I can say he's a man of almost entirely good judgment. The almost is, I have to say, because he's an Everton supporter, which is clearly evidence of some irrationality in his make-up. But aside from that, we had this plan. He was already prepared. The regulators were happy with it, and it went ahead. Paul.

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Paul Thwaite, Chief Executive

Thank you, Howard. And thanks, Jill. I guess on the first of your questions, what I'd say is I recognise that the bank got some things wrong, and I've taken action. You would have seen the news yesterday in regards to that. What I would say, though, is, as you can see from the results today, which are strong, the strategy is working.

And to your second point, that's a testament to the strong team we have here at NatWest. The leadership team has evolved over the last couple of years. We have a very strong team running our customer businesses and our franchises and all the team are united behind me to focus on moving the bank forward.

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Operator

Thank you very much. Our next question comes from Ashley Armstrong of The Sun. Ash, if you could please unmute and go ahead.

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Ashley Armstrong, The Sun

Hi. Morning. I just wanted to confirm about kind of your statement about you won't be closing other people's accounts or on legally held political views. Are you going to be doing a review of other people's bank accounts who have been closed and cross-checking that they haven't been closed mistakenly for having legally held political views?

Because I understand that there have been a number of complaints about that. And then just secondly, I think to announce that Ben had been driving at was you said that there have been kind of some soundings with the government, but did you explicitly tell the chancellor that you would be giving your full confidence to Alison Rose, because it was clear that they didn't have full confidence in her?

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Howard Davies, Chairman

On the first point, I think the short answer is yes. The terms of reference of the independent reviews which are out today, but I wouldn't criticise anybody for not having digested them yet as they they've only just emerged. But there is there are three dimensions to it. One is an external review of the decision to close the accounts of Mr. Farage.

Secondly, to review the circumstances around the BBC article. And thirdly, to review other accounts account closures over the period of 24 months. So the answer to your question is absolutely yes. I am, honestly on your second point, not prepared to get into the background

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of to-ing and fro-ing about individual conversations that I had. What I absolutely I'm clear about is that this was a board decision.

We are not seeking to blame anybody else for this decision. It's one we made, and we stood by it until it was impossible to stand by it. But if you want to criticise us, they have to criticise us. I'm not seeking to pass that blame on to anyone else.

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Operator

Thank you, Howard. Our next question comes from Paul Davis of Bloomberg. Paul, if you could, please unmute, and go ahead.

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Paul Davis, Bloomberg

Yeah, hi. So a couple of things. Is the FCA going to kind of make a proper judgment at some point on whether the closure was unjustified in any way? And secondly, is Farage himself, is he actually going to try and pursue any sort of proper rigorous process via arbitration or in a court or something, do you think, to try and come to a similar judgment about whether it was actually unjustified?

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Howard Davies, Chairman

Thank you. What I understand is underway, is that there has been a complaint by him to the Information Commissioner. That's not what you mentioned, but I think I should answer that first and that we haven't had a formal communication with them as yet, but we understand that they are going to look into it and that's about the information around his accounts, etc., and we will cooperate that.

As for the FCA, well, I should say probably in a paraphrased way they should answer for themselves. But let me be slightly bit more helpful because they have said something, and they have said that they'd raised concerns with us about the allegations relating to account closures. We made clear our expectation these issues should be independently reviewed. It's vital that reviews well-resourced and those conducting it have access to all the necessary information.

And we can certainly assure that, they say, on the basis of that and steps taken by anybody else like the Ombudsman or the Information commissioner, they will decide then if any further action is necessary. So I think that's pretty clear that they're going to allow the independent review to run its course and then they will consider what will they want to do.

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Paul Thwaite, Chief Executive

Thank you very much. As for sort of sorry, you say legal action, I have no knowledge of that. That's clearly a matter for him.

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Operator

Thank you. Howard, our next question comes from Anna Wise of PA. And please do unmute and go ahead.

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Anna Wise, PA

Hi. Morning. Yeah, I just wanted to ask what you think some of the risks are in the kind of rules changing, and are you worried that it will make the bank bit more vulnerable to that kind of reputational risk?

And also, if it's possible to give a kind of rough figure on how many accounts have been closed this year just to kind of put it all in perspective. Thanks.

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Howard Davies, Chairman

I can't give you a number of accounts that have been closed. What I can say to you is that almost all of the accounts that are closed are for financial crime reasons.

When the bank has reason to suspect that the account is being used for purposes which are unlawful. And I think I might say in parentheses that sometimes, of course, clients actually in the end and not at all happy that the account was closed because it was being used as a new account, which they weren't aware of necessarily. So, you know, this is a this is a complicated, complicated picture.

And as to the risks, and I think there are two sets of risks. And I think the government is well aware of it and the regulators are. One is that, you know, you could if you are tougher about circumstances in which accounts could be closed, make it somewhat easier for potentially criminals because you can't close them quite, quite as quickly.

And I suppose there is a lesser risk, which I hadn't actually reflected on much of the as the reputational dimension of customers who are carrying out other unlawful activity, not necessarily financial crime or making statements. That could be a risk. But I have to say the

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risk I am more concerned about is the is the risk that you make account closing in circumstances where you have suspicions about financial crime more difficult.

And I think that's something we've got to guard against.

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Operator

Thank you very much. Our next question comes from Callum Muirhead of the Daily Mail. Calum could you please unmute and go ahead.

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Calum Muirhead, Daily Mail

Hi. Good morning. Yes, it's just a couple of questions. The first one is, would you support any kind of pushes to make it more transparent or to make banks more transparent about best sort of account closure numbers?

Maybe putting it in that annual reports or something like that. And also my question first for Paul. Obviously, you've been you're going to be taking on this role for 12 months as a sort of initial period. Will you be putting your name forward to be the permanent successor to Alison? Thank you.

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Howard Davies, Chairman

Thank you. On the first question, I think it's I hadn't thought about that, actually.

So I don't want to give you an off the cuff answer as to whether it would make sense to publicise that. The one thing I would say is that the figures released recently from the Ombudsman suggest that account closures are not an enormously big consumer issue, that there are something like 1,300 complaints to the Ombudsman about the account closures each year that should be set against the being about 75 million bank accounts in the UK and the figure for complaints about it is stable roughly.

It hasn't been going up particularly. So I think it's important to set without wanting to minimise the current events, which I don't. But to set this in context, you know that it is not something which has been demonstrably creating massive customer concern over the years, and you'd see that in the probably the best indicator of that would be in ombudsman complaints.

Let me pass the second part to Paul.

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Paul Thwaite, Chief Executive

Thanks, Howard, and thank you, Callum, for the question. I guess, Callum, I'd go back to my introduction. I've worked at the bank for over 20 years. I'm very proud to lead the bank and also very pleased that the board put their faith in me to take the bank forward.

Having led a significant part of the business for the last four years, I know it's a great business. I know it's got great people and the strategy's working. But my priority is to move forward quickly. It's day three, as you know, and all I'm focused on at this moment is leading the business forward out of this difficult period and supporting our customers and colleagues to take the strategy forward.

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Operator

Thank you very much. Our next question comes from Simon Foy of The Telegraph. Simon, if you could please unmute and press star six, that would be great. Thank you.

Once again, Simon, if you'd like to press Star six to a mute, I would like to hear your question. While we're waiting for Simon, let's move onto Helia Ebrahimi from Channel Four, if you could, please unmute Helia...

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Helia Ebrahimi, Channel Four

Morning, everybody. Howard, clearly there have been calls for you to go. Is the merit in leaving early to draw a line in this crisis or are you clear that it's right for you to remain until the end of the term? And in your assessment, does this focus on government from the government and risk damaging corporate governance going forward?

And Paul, good morning, good luck. I just wanted to ask you about the results actually. Your NIMs are coming down. Is this a sign that customers are becoming a bit more savvy and switching accounts to earn better rates?

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Howard Davies, Chairman

Thanks. Yeah, on the first point and the situation is that, as I've said, we've got a search for a chair replacement underway, which is completely planned process.

And my assessment and indeed that was supported a day or two ago by the economic secretary, that the right course is to let that process continue. And I think that's that sensible.

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It maximises the chances of finding a good successor who can take this bank forward. And that's what I am most concerned about. I am very conscious of my fiduciary duty to all the shareholders of this bank and to other stakeholders and my assessment of that is that I can best, or we can best carry that out and ensure the stability of the bank, if I remain in position until we find a successor in a proper way with a proper process led by our senior independent director. So that's where that's where I am. Paul.

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Paul Thwaite, Chief Executive

Thanks Howard. Thank you, Helia, for the message of good luck. It's very much appreciated. And thanks also for a question on results. That's great. Katie, I'll pass to you on the NIM point.

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Katie Murray, Chief Finance Officer

Yeah, sure. Thanks so much. Morning, Helia. So if I look at the NIM, there's a couple of things going on. First is the ongoing reduction we're seeing in the mortgage yields in terms of their previous margins to what they are now, where they are lower for the bank. And then you're absolutely right on deposits. So when we talk about deposits in the bank, we talk a lot about non-interest bearing and interest-bearing accounts.

What we've seen over the last number of quarters is that non-interest bearing has been at about 40%. But this quarter we've seen it fall to 37% as people have moved their money into higher interest accounts. And interestingly, a lot of them are choosing to go into fixed term accounts, which obviously pay, and balances pay on balances between five and a half to 6%.

And the amount of money we've got in those fixed term accounts has gone up to 11% of our total deposits from about 6% at the beginning of the year. So definitely with our communications going on to customers and things, we're definitely seeing much more active management of people's deposits, which is a sensible thing for them to be doing.

Thanks, Helia.

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Operator

Thank you very much. Our next question comes from Marion Dakers of Bloomberg. Marion, if you could please unmute and go ahead.

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Marion Dankers, Bloomberg

Hi, and morning all. I wanted to ask about the decision to part ways with the Coutts CEO. How did that come about? And the timing was interesting. Did that one have any input from the government as well? Thanks.

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Howard Davies, Chairman

Well, I can answer the second part of it as a no, but Paul can talk about because it's an executive decision.

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Paul Thwaite, Chief Executive

Yes. Thank you. Thank you. Thank you, Marion. Yeah. I made the decision yesterday. We... I think most of you have reported on the story that I thought it was the right decision, for Coutts, but also for the wider bank at a personal level of obviously.

Sorry to lose Peter as a colleague, but I was keen to take this decisive action and move things forward quickly. Thank you.

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Operator

Thank you very much. We're going to see if Simon can join us again. Simon Foy of The Telegraph. Can you please press star six to unmute your line. I can see you have unmuted. Simon, thank you.

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Simon Foy, The Telegraph

Can you hear me now? Good morning, guys. And just a quick one on Alison's exit pay. I know you said a decision won't be fully taken until after the review is concluded, but I'm just wondering why you won't commit to sort of publishing the details of her exit package before the remuneration report, which I suppose probably won't come until next February.

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Howard Davies, Chairman

Yeah, thanks. As expected, a hell of a question after it took four times to get on that. I mean, I can't say precisely when this will be published because, you know, the independent review will take place and then we'll have to consider it. But the normal way in which remuneration decisions are published and discussed with shareholders is in the in the DRR.

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And I don't see a strong argument from the bank's perspective in departing from that perfectly normal practice. But I can tell you that for the moment the position is, as it were, frozen.

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Operator

Thank you. That is all the time we have for questions this morning. Howard, I'm going to pass back to you to close the call.

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Howard Davies, Chairman

Yes. Thank you very much for those questions. And it was helpful to have this opportunity to get the position as we see it at the moment, as clear as we can helpfully make it for you. Thanks to those of you who did ask about the results. Just like to end by saying these are positive results. People will not no doubt want to look at the net interest margin and the development of that, but that will happen during the course of the day in much greater detail, I am sure. But I would like to just end by saying the bank is in a good financial condition. We have not seen deposit outflows or customer outflows or on any scale which concerns us. And so we are here still open for business for our customers. And I want to end where I began by reassuring our customers and our shareholders that the business of this bank is continuing as normal and will do because it's crucial from a British economy point of view.

And for the 19 million customers we serve that they know that in spite of all this, we are open for business and ready to serve them. Thank you.

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Operator

That concludes today's presentation. Thank you for your participation. You may now disconnect.

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END

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