In light of ongoing restrictions related to the COVID-19 pandemic, in particular the current Scottish and English laws preventing gatherings, the Board has concluded that the 2021 AGM will follow the same format as the 2020 AGM.

As shareholders are not able to attend the 2021 AGM in person, we held a 'live' Virtual Shareholder Event ("Virtual Event") on 21 April 2021 to provide shareholders with the opportunity to hear from the Chairman, CEO and other Board members, and ask questions prior to the AGM proxy voting deadline of 2.00 p.m. on 26 April 2021.

Shareholders were invited to submit questions either in advance of, or during, the Virtual Event and responses to questions on key themes can be found below. Figures quoted are correct as at the date of the Virtual Event on 21 April 2021.

ESG

Climate

Does the company demonstrate leadership in running every decision & action through a 'green filter' by making things less damaging for the planet? Looking at the materials of bank cards, paper, inks and reducing all single use items in all areas and encouraging 'green leadership'?

We have a responsibility to encourage, enable and demonstrate 'green leadership' to help the UK transition to a net zero carbon economy and this is very much part of what we do every day. Whilst not a 'green filter', we do apply a 'purpose filter' to every decision and action we take via the use of our revised 'Yes Check' and our Board and Committee templates.

Climate is one of the three focus areas of our purpose. We are proud to have been externally recognised as the leading lender to the renewables sector in the UK for the past decade. It is essential that the resources we use as a business are managed in a green and sustainable way and we also make sure our supply chain is not only sustainable but has a long-term positive impact on the global community. We are net zero in our own operations as of last year and are working to be climate positive by 2025. We have achieved Zero Waste to Landfill accreditation from the Carbon Trust in the UK and Republic of Ireland.

Our target for 2025 is to reduce paper consumption by 70% from a 2015 baseline. By offering instant access digital alternatives to documents such as bank statements, we will reduce colleague and customer dependence on paper communications and the associated waste. Since 2015, overall paper consumption has reduced by 56%.

We committed to delivering £20 billion of climate and sustainable funding and financing during 2020 and 2021 and we have already supported customers with £12bn during 2020 and additional £4.1 billion during Q1 2021. We provide incentivising products such as the green mortgage and are looking at innovations to accelerate the switch to electric vehicles. We are collaborating with industry and government as we cannot solve the climate/environment challenge alone.

Finally, we are the principal financial partner of the COP26 meeting which is happening in the UK later this year and this demonstrates how important this is to us.

NatWest has committed to progressively withdraw support from non-net zero aligned activity in the coal, oil and gas sectors, if they do not have credible transition plans in line with the Paris Agreement by end of 2021.

How does NatWest intend to assess the quality of these transition plans and can the bank disclose whether it is factoring the use of nature-based offsets in its assessments of fossil fuel companies' transition plans and is it planning on engaging on issues of wildlife where absolute reductions cannot be achieved?

Will NatWest expect to see fossil fuel companies committing to annual declines in production in line with the Paris climate goals as part of the transition plans?

Large corporate customers with gross lending exposure of £2 billion at December 2020 have been identified as requiring Paris aligned and Credible Transition Plans (CTP) by the end of 2021. This includes oil and gas majors and also customers engaged in coal (thermal and lignite) related to mining, power generation and trading activities. Oil and gas majors will need to have CTP aligning their businesses with the goals of the 2015 Paris Agreement to keep warming below two degrees.

During 2020 we have worked with Baringa, a leading independent external climate change modelling and consultancy group, to define a methodology for CTP assessment, comprising: a) quantitative assessment using the climate scenario temperature alignment model to evaluate whether companies transition plans and resulting projections for Scope 1, 2 and 3 emissions are consistent with temperature scenarios that are aligned to the goals of the 2015 Paris Agreement and b) qualitative assessment of the credibility of customers' transition plans through use of a questionnaire and scorecard to be filled in by relationship managers through public data and discussions with customers.

We are reviewing the strategies of each of our in-scope customers and expect to complete their assessment by the end of 2021. To derive meaningful insights and arrive at the correct decision, we want to consider the strategy of each of the companies to make sure we arrive at a balanced judgement. If their strategy includes nature-based offsets, it would be considered as part of their review.

As fossil fuel funding becomes less and less important to NatWest Group, and with the bank planning to only support oil and gas companies with 'credible' transition plans, a clear opportunity exists. Will the bank lay out a roadmap to becoming Britain's first fossil fuel-free high street bank?

In terms of a fossil fuel free high street bank, we feel that immediately exiting customers is not the right thing to do. It is much more productive in terms of lowering emissions and supporting the shift to a low carbon future if we can work with customers. Working with oil and gas majors to align their business will also reduce their climate related risks. Where this is not possible, or a plan is not credible, we will look to exit the customer.

Our approach to climate change is meaningful and purpose led. With our involvement in COP26 more and more people in the UK will be aware of what we are doing to help the UK transform to a net zero economy.

On 21 April 2021, NatWest Group committed to becoming one of the founding members of the Net-Zero Banking Alliance, a global coalition of financial services companies under Mark Carney's leadership that have pledged to work together to deliver the Paris Agreement. The Net-Zero Banking Alliance is one of four financial sector coalitions under the banner of the new Glasgow Financial Alliance for Net Zero (GFANZ).

Equality and Diversity

Do all staff feel that as an employer NatWest Group is taking & demonstrating strong leadership in Equality Issues? Has a survey been taken and is there positive action to encourage an Equality Culture at every level of the organisation?

Creating a healthy, diverse and inclusive workforce is a fundamental part of championing potential and helping people, families and businesses to thrive, and it is vital that we take a stand against racism and any form of inequality.

In 2015, we set out a series of commitments and goals to create an Inclusive Workplace, which focused on a range of factors including, Gender Balance, Disability Smart, Ethnically Diverse and LGBT+ Innovative. Our positive action approach is benchmarked externally and helps ensure we can attract, recruit and engage colleagues.

Whilst we have more to do, we have made some good progress, for example:

- We increased representation from women and ethnic minorities in senior roles;

- We improved customer experience (e.g. Royal National Institute for the Blind accredited mobile banking app; offering the gender neutral prefix of Mx for Trans customers); and
- We signed up to a range of external commitments (e.g. Business in the Community, Race at Work and Women in Finance Charters).

We are proud to have been recognised externally, e.g. Top 10 Employer in the Ethnicity 100+ list; The Times Top 50 Employer for Women; Top Global Stonewall Employer; Leader level in the Government's Disability Confident Scheme.

However, we are not complacent. We have established a Taskforce led by the co-chairs of our Multicultural Network to help understand barriers faced by Black, Asian and Minority Ethnic colleagues, customers and communities. The Taskforce published a report setting out ten commitments and our new goal to have 3% Black colleagues in our UK senior roles in the same timeframe as the existing target of 14% Black, Asian and Minority Ethnic colleagues in top four UK leadership levels by 2025.

We listen to colleagues to promote Equality and Inclusion through our annual colleague survey to analyse colleague sentiment/opinion and also by sharing insights with managers, leaders and Employee Led Networks.

Remuneration and employees

Does your remuneration policy allow you to attract high quality candidates to the bank?

Firstly, we would like to thank all shareholders for their strong support for our Directors' Remuneration Policy with 90% of votes cast in favour at the 2020 AGM.

If the inference from the question is that our CEO and CFO were internal promotions, suggesting that we had problems recruiting externally, then this would not be correct. External candidates were considered for these roles and the Board hired the best candidates. The performance of Alison Rose and Katie Murray during what has been a difficult time for the bank has validated the Board's decision.

We have also been able to recruit high quality candidates from both the UK and abroad, for recent Executive Committee (ExCo) level roles. We are confident that the remuneration policy applicable to Executive Directors and ExCo supports the strategy of the bank.

Looking more widely across the bank, our remuneration policy is simple, straightforward, and well understood by the workforce. We are committed to paying colleagues fairly for the work they do. People of talent are attracted to NatWest Group not just for financial gain but also because of the Group's purpose and culture, which are considered very compelling in a market context. We will continue to review the market position to ensure we stay competitive.

I am delighted that NatWest remains an accredited Living Wage employer. The Living Wage Foundation have launched the 'Living Hours Standard', which presents Living Wage employers with the opportunity to go further and provide staff with security and stability. Can the board give an overview of NatWest's approach to its employment contracts and would it be willing to meet with ShareAction and the Living Wage foundation to discuss the Living Hours standard in more detail?

We have been an accredited Living Wage employer for a number for years and we ensure that our current starting salaries are set above the Real Living Wage rates. We are focused on providing fair pay for colleagues and we are open and transparent about our pay approach, including published salary ranges and engaging regularly with our employee representatives including Trade Unions. We've recently published a Fair Pay Charter setting out our broader approach to pay.

During the recent uncertainty created by the global pandemic we went beyond our normal approach. As well as a number of wellbeing initiatives, we guaranteed pay for colleagues from April to September 2020, regardless of whether they were able to work, giving much needed certainty to all. We've continued to support colleagues with our extensive flexible working policies over recent months. For some colleagues who were still required to attend offices or branches at the height of the pandemic, we provided assistance with additional transport costs and an allowance to cover lunch. Colleague feedback on our support through the pandemic was very positive with 86% feeling like senior management were interested in colleague wellbeing, 13% ahead of the Financial Services norm and 5% ahead of Global High Performing Company norm.

Our employee proposition is underpinned by robust employment contracts that set out the standard hours we expect employees to work per week of 35 hours per week. We do have colleagues who work less than 35 hours and these arrangements are agreed on a mutual basis and tend not to be subject to frequent change.

Where we require our most junior colleagues to work additional hours, they will be paid and if the hours are beyond the full time hours for the role then they will receive payment at a higher hourly rate in line with our overtime policy. Where we operate shifts, we make every effort to provide as much notice as possible to colleagues of working patterns. In our all employee survey 89% of our colleagues felt that their work pattern allowed sufficient flexibility to meet personal and family needs, 12% ahead of Financial Services norm and 7% of Global High Performing Company norm.

We are always keen to ensure we remain an excellent employer. Senior HR representatives intend to reach out to the Living Wage Foundation to learn more about Living Hours and its possible application to the Group.

COVID-19

What are the biggest risks facing the bank in the aftermath of the Covid-19 pandemic?

Despite ongoing uncertainty, NatWest Group's risk profile remains stable due to a well-diversified lending portfolio, a robust balance sheet, with strong capital & liquidity levels, and ongoing government support for businesses and individuals.

Key Covid-19 related risks include:

- Vaccine resistance/virus mutations – despite rapid UK vaccine rollout, there remains a risk of further waves that could negatively impact the economy and customers.
- Impairments – we take an appropriate and conservative approach on impairments, but there remains uncertainty around the timing and scale given both the economic situation and levels of government support. All banks also need to carefully manage conduct risks around future Covid-19 related debt management.
- Long term sector impact – changing trends, such as increased home working or online shopping, could last beyond the pandemic impacting key regions and sectors of the economy. We consider a range of scenarios in setting strategy and considers future changes in risk profile when setting sector risk appetites.
- Ways of working – it will be critical to manage both the people and operational risk that comes with any future return to office working, whatever form that takes.

Other risks include:

- Legal and regulatory risks – we are subject to a number of actions, including the recent charge by the Financial Conduct Authority in relation to Money Laundering Regulations. We continue to invest in our risk management framework and controls, including around financial crime, and work closely with regulators and government in the identification and management of related issues.
- Climate change – managing physical and transition risks related to climate change is a top priority. We continue to build our analytical and management capabilities through risk frameworks, data and scenario modelling processes and are participating in the 2021 Bank of England Climate Biennial Exploratory Stress test.
- Low rate environment – banks continue to face specific challenges from the low interest rate environment, including the possibility of future negative rates, as well as disruptive competition in key segments or products.
- Cyber - the potential for cyber-attacks on the Group and its supply chain remains an area that is closely monitored. The Group has robust processes in place to manage and mitigate this risk.

NatWest Group

Were members of the Board aware that in May 2020 NatWest Bank was indulging in the inexcusable practice of making unsubstantiated accusations of some SME customers being subject to "undischarged bankruptcy orders", for the purpose of rejecting applications for the Government supported Bounce Back Loans?

The Bounce Back Loan Scheme (BBLS) was introduced at pace in May 2020 and underwent in-flight development. This included the BBLS initially using the bank's standard bankruptcy rule-set which meant that both discharged and undischarged bankrupts received an "ineligible" decision. When the issue was identified, the BBLS appetite was amended in June 2020. The bank arranged to pro-actively contact the impacted customers to make them aware of the position and of the option to reapply.

Government shareholding

How has the recent share dealing with the government impacted NatWest Group as a business?

The UK Government operates at arms-length and, as such, does not interfere in the commercial decisions of the bank. The recent buyback of shares has, therefore, not impacted our business.

We are pleased that the Government has re-started the share sale process and the off-market placing has allowed us to use some of our excess capital to buy back shares. This is progressing the joint ambition of the Government and the bank of reducing the Government shareholding, which following the recent buyback is now 59.77%.

The total amount now returned to Government through share sales and dividends is approximately £9.3bn, in addition to approximately £1.5bn to cancel the Dividend Access Share.

200m of the shares bought back have been transferred into treasury to support existing commitments under our employee share plans and these could be fully utilised by Q1 2025.

We retain a strong capital position, well above our target range which ensures that we remain well placed to navigate the uncertain environment/continue to support our customers.

AGM Resolutions

I understand the need to conserve cash and your capital requirements after running an operating loss during 2020-21 and you might have to pay a minimum feasible dividend at a level that meets the dividend requirements for most institutional investors. Accordingly, could you please withdraw the relevant resolutions relating to capital? Also, for the political donations resolution, how much do you want for political donations and is it intended only for lobbying legislators, Government Ministers & officials?

We have asked shareholders to renew our authorities to issue shares and to participate in an on-market buyback and directed buy back of Government shares. The authorities will last for twelve months until our next AGM and provide the flexibility to participate in a further buy back in 2022 should the Board judge it to be in the bank's best interests. This, of course, would also be at the discretion of HM Treasury. We feel it is prudent to retain the flexibility to issue shares should the need arise.

With regard to political donations, as noted in letter to shareholders, this authority is taken as a precautionary measure. The Group does not have any intention of making any political donation or incurring any political expenditure. However, the definitions of political donations and political expenditure in the Companies Act are very widely drafted and could include activities such as allowing staff paid leave to act as local councillors or stand for election in local government or parliamentary elections. As our employment policies do allow paid leave in these circumstances, we're proposing the resolution to ensure we do not inadvertently breach the legal requirements around political donations.

Dividends

When will you be able to start paying dividends again?

As part of our 2020 FY results, we announced our intention to pay a final ordinary dividend of 3p per share, subject to shareholder approval at the AGM. This equates to a total dividend payment of £347m. If the dividend is approved by shareholders at the AGM it will be paid on 4 May 2021.

Since we restarted dividend payments in 2018, we will have paid out £3.6bn. We aim to distribute a minimum of £800m/year in each of 2021, 2022 and 2023 (a total of £2.4bn) through ordinary and special dividends.

Strategy

With a growing move towards greater need for CDD & Compliance, how is the bank viewing appetite to Crypto currencies where challenger banks like Revolut are currently gaining market share?

Regulation of crypto or virtual currencies is very much an evolving issue. Virtual currencies do not fit neatly into the existing financial regulatory regimes, such as those regulating financial instruments, securities, payment services, electronic money and anti-money laundering.

Our Risk Appetite statement covers the various parts of the ecosystem. We have zero appetite for on-boarding and ongoing management of customers whose primary business activity is to operate virtual currencies exchanges. We have restricted appetite for personal customers who are utilising and investing in virtual currencies for recreational purposes as they need to have been identified and verified, screened for PEPs and Sanctions purposes, with an appropriate level of due diligence applied.

What's the Group's strategy on the money losing investment bank?

We announced a new strategy for NatWest Markets (NWM) in February 2020. The new purpose-led approach aims to create long-term value and deliver a sustainable Markets business by refocusing efforts and resources and reducing Risk Weighted Assets (RWAs) to c.£20bn to become a sustainable business as part of NatWest Group.

The refocused strategy aims to deliver an integrated corporate and institutional customer offering, connecting customers with international capital markets and managing their financing and risk management needs. During 2020, NWM made good progress on its revised strategy. It has reduced RWAs by £11bn, by managing down and optimising inefficient capital activities, with the remaining reduction expected to be achieved in 2021. As part of the strategy, NWM will return capital to NatWest Group over the medium term, and a £0.5bn dividend was paid to the Group in February 2021.

I am disappointed in the CEO's brief and misleading references to the branch network coverage and community responsibility in the Annual Report. Why has the NatWest Group not negotiated more than just two disparate locations for the current industry trial of Bank Hubs and will it press for an extension and roll-out beyond the 6 months, given the Covid restrictions' impact on customer behaviour?

People, families and businesses up and down the country continue to rely on cash for everyday transactions. We are leading the collaboration across the industry to deliver a sustainable future for cash, both financially and environmentally. We are a founding signatory of the UK Cash Industry charter which sets out a series of commitments and targets that seek to establish a collaborative approach and a roadmap of initiatives to tackle the climate impact of the cash industry, with particular focus on the key areas of energy, plastics and carbon.

We are committed to responding to changing customer demand thoughtfully and innovatively and we're looking forward to seeing the outcome from our participation in the Community Access to Cash (CACP) pilots, as well as the experience of other scheme participants, which will inform our strategy going forward. The locations of the CACPs were decided through a well-publicised, community-led application process. Locations were driven by community voice and need. There are nine pilots and in two of these, a banking hub was deemed to match customer need and was viable in terms of building availability.

Am I the only shareholder and customer to be unimpressed with the strategy to be a "Purpose Led Bank" which is misleading, meaningless and, in the light of my experience, undeliverable?

Our purpose is based on the strong belief that we must have a reciprocal relationship with the society, the environment, and the communities where we operate. Our purpose also has a powerful commercial imperative. If our customers succeed, so will we.

Living and working in the same communities as our 19 million customers, we understand their worries, hopes and the barriers that get in the way of them achieving their potential. We exist to champion that potential by supporting them at every stage of their lives. With this lifecycle approach, our purpose will create longer-term and deeper relationships with our customers, helping them, our communities and economy to thrive and, in turn, deliver sustainable returns.

Our purpose, if implemented successfully, should also help us to turn away from decisions that have, in the past, created conduct issues for banks globally. There have been many examples of organisations that have successfully lived their purpose, creating both shareholder and stakeholder value.

We are only one year into embedding our purpose, but we feel it is already having a material positive impact on the decisions that we take. Some examples include:

- During the pandemic, we arranged 258k mortgage holidays, kept 95% of branches open, delivered £5m cash and launched Companion Card and 'Get Cash';

- We approved £14.1bn of lending under Government scheme, with more than 300,000 applications: £8.6bn BBLS, £4.2bn CBILS, £1.3bn CLBILS;
- We helped to create 1,926 new businesses in 2020 and we will help create an additional 50,000 new businesses by 2023, inspiring and supporting 500k people;
- We provided £12bn of climate and sustainable funding and financing;
- We are the largest supporter of UK business – banking around 1 in 4 UK businesses; and
- We are harnessing new technology and our digital expertise to accelerate our digital transformation, partnering with leading organisations from around the world that share our passion for brilliant customer experiences.

We are becoming simpler as a bank, focussing on building great customer experiences and sharing them across the Group.

We have seen the bank become more London centric in recent years following the financial crash of 2008. Does the increased evidence of effective home working during the pandemic provide a significant opportunity to reduce your portfolio of expensive London office space and does the Bank see an opportunity to formalise permanent working from home?

We have supported around 50,000 colleagues to work from home since March 2020. We haven't set a timeframe for a return to the office yet. Any decisions will be based on a range of factors including the rollout of the vaccine programme. Our office spaces will continue to play a vital part in working at NatWest Group. Going forward we'll balance time working at home with time coming together in person and collaborating. Our new hybrid way of working will give freedom in a framework, helping us to balance the needs of our stakeholders, customers and communities, whilst providing colleagues a degree of freedom to choose how, when and where they work. The framework is being developed in close consultation with colleagues from each part of the bank and will vary depending on the circumstances of each business. We have significantly reduced our London footprint to two offices, one at the Strand and one at 250 Bishopsgate and we are adopting a more regional model structure with teams based where our customers are.

Do you have an update on the exit of the bank from Ireland? Would you like to comment on the news today regarding the Financial Services Union's engagement with the devolved government in Northern Ireland and the option to offset some of the job losses in Northern Ireland by mapping staff into NWG?

The review of Ulster Bank in Republic of Ireland is complete and we concluded it will not be able to achieve an acceptable level of sustainable returns from that business over our planning horizon. As a result, we are to begin a phased withdrawal over the coming years. We intend to do this in a responsible way that centres around our customers, colleagues and other stakeholders in a manner that is closely aligned with our purpose and balances the interests of all our stakeholders.

A non-binding Memorandum of Understanding with AIB has been agreed for the sale of a c.€4bn portfolio of performing commercial loans, and the transfer of the colleagues wholly or mainly assigned to this loan book. We are also in early discussions with Permanent TSB. We will keep the market updated on any developments.

There are no changes for staff or customers and there will be no compulsory departures or branch closures in ROI this year as a result of this decision. Ulster Bank in NI is a separate business in a separate legal entity, outside the scope of our strategic review. We will engage our colleagues on solutions and options available.

Forward looking statements