



Dame Meg Hillier MP  
Chair of the Public Accounts Committee  
Public Accounts Committee, House of Commons, London, SW1A 0AA

22 May 2023

Dear Meg,

### **Government's shareholding in NatWest Group: £1.26 billion sale of shares**

I am writing today to inform you that on 22 May 2023 the government sold c. 469m shares in NatWest Group (NWG, formerly Royal Bank of Scotland) to NWG by way of a directed buyback transaction. The transaction value amounts to approximately £1.26bn, representing approximately 4.95% of the company.

This announcement marks significant progress toward the government's intention, reiterated by the Chancellor at Spring Budget 2023, to fully dispose of its NWG shareholding by 2025-26 subject to market conditions and achieving value for money for taxpayers.

#### Policy rationale

The government is committed to returning NWG to full private ownership now that the original policy objective for the intervention in NWG – to preserve financial and economic stability at a time of crisis – has long been achieved.

The government only conducts sales of NWG shares when it represents value for money to do so and market conditions allow.

#### Directed buyback detail

The sale concluded this morning, 22 May 2023, with NWG purchasing a limited number of its government owned shares. A total of approximately 469m shares (approximately 4.95% of the bank) were sold at the 19 May 2023 market closing price of 268.4p per share. This is the sixth large block sale of NWG shares undertaken by the government.

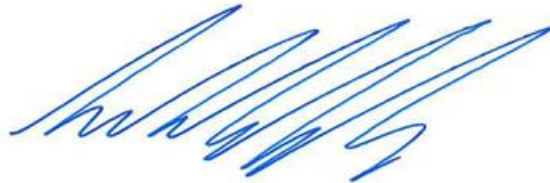
The reduction in the government's shareholding is less than the percentage sold as NWG will cancel most of the purchased shares. Following this transaction, the government's shareholding stands at approximately 38.6%.

The government, supported by advice from UK Government Investments, concluded that selling shares to NWG, in a single bilateral transaction, represented value for money. Share buybacks are a common practice undertaken by companies looking to efficiently deploy their excess capital.

UKGI and HM Treasury will keep other disposal options under active consideration.

I have written in similar terms to Harriett Baldwin MP, Chair of the Treasury Select Committee, and have copied this letter to Gareth Davies, Comptroller and Auditor General of the National Audit Office. A copy of this letter will be placed in the Library of the House. In addition, a Written Ministerial Statement regarding the announcement will be laid before Parliament.

Kind regards,

A handwritten signature in blue ink, appearing to read 'Andrew Griffith', with a stylized, cursive script.

Andrew Griffith