

A short history of National Westminster Bank

National Westminster Bank was created through the merger of National Provincial Bank (est 1833) and Westminster Bank (est 1836), two of Britain's 'Big Five' banks. The merger announcement in 1968 took the City and the public completely by surprise, but to both banks the advantages were readily apparent - the merger pooled their assets, created opportunities to streamline branch networks and enabled further investment in new technology. The statutory process of integration was completed in 1969 and National Westminster Bank commenced trading on 1 January 1970, adopting the now familiar three arrowheads symbol as its logo. The merger created the fifth largest bank in the world.

The new bank immediately embarked on a process of branch rationalisation, closing branches where representation was duplicated and opening offices in areas of new commercial and industrial activity, as well as on hospital and university sites. Clever advertising campaigns and varied, good-value products attracted many new customers and National Westminster Bank was soon making a huge impact on the British high street. In 1972 it joined a consortium, with the Royal Bank, to offer the new Access credit card and in 1976 introduced *Servicetill* automated cash dispensers. In 1975 National Westminster was one of the first London clearing banks to open an office in Scotland and at the same time was altering the very landscape of the City of London with the construction the National Westminster Tower, the second tallest occupied building in Europe.



Poster from the campaign that introduced the new bank in 1969



NatWest servicetill advertisement, 1980s

North Sea oil in 1972 led to continuing involvement in energy exploration and major project finance such as the channel tunnel. In continental Europe, National Westminster Bank's and Beyond the domestic market, the newly-created International Banking Division sought to provide international banking services to large companies and to focus on expansion in the USA, the Far East and Europe. A syndicated venture to finance North Sea oil in 1972 led to continuing involvement in energy exploration and major project finance such as the channel tunnel. In continental Europe, National Westminster Bank's representation was augmented by investments in France, Germany, Spain, the Netherlands, Greece and Switzerland. At the same time the purchase in 1979 of the National Bank of North America, with 141 branches in the City and State of New York, marked a move into US retail banking.

Deregulation in the 1980s, culminating in 'Big Bang' in 1986, also encouraged National Westminster to enter the securities business. County Bank, a merchant banking subsidiary, acquired stockbroking and jobbing firms to create NatWest Investment Bank. National Westminster Home Loans was established in 1980 to provide a comprehensive mortgage service, and other

initiatives included the formation of the Small Business Unit in 1982 and the launch of a range of new savings products, including their first children's account - the 'Piggy Account' - in 1983. The 'Action Bank' advertising campaign spearheaded a new marketing-led approach to business development.

Other technological developments followed the computerisation of all of the bank's branches by 1970. National Westminster Bank led the growth of on-line cash dispensing machines in the 1970s and in the 1980s further new services were developed such as telephone banking and touch-screen share dealing. The Switch debit card extended the electronic transfer of money to the point of sale in 1988. Later developments included the Mondex card and interactive cable TV home banking. In the US National Westminster Bank established National Westminster Bancorp, following the acquisition of First Jersey National Corporation in 1988. Further US acquisitions ensued and by 1995 National Westminster Bancorp had a branch network of over 340 branches across two states.

In 1989 a major restructuring programme, aimed at devolving more power to each business sector, was begun. Two years later the Group's international private banking businesses were assimilated under the famous Coutts name and in 1992 NatWest Markets was formed from the Group's corporate banking and investment arms. Indeed, the Group's entire operation underwent a wide-ranging review, leading to the sale of a number of businesses, including National Westminster Bancorp, which did not have a major and profitable market presence. At the same time a number of new ventures were launched, including the life assurance business, NatWest Life, in 1993. In 1995 the Group was restyled NatWest Group to reflect the modern positioning of the company as a portfolio of businesses.

In 2000 National Westminster Bank was acquired by The Royal Bank of Scotland, creating the third largest banking group in the UK. Since the merger NatWest's retail bank has continued to operate as a distinct and separate brand on the High Street. Indeed, one of the first initiatives undertaken by the Royal Bank following the merger was to call a halt to NatWest's branch closure programme. Since 2003 a major programme of refurbishment of the branch network has been underway and the bank has made it possible once again for customers to telephone their own branch directly.

NatWest today has more than 7.5 million personal customers, and 850,000 small business accounts. It operates over 1,600 branches and 3,400 cash machines across the country, and offers 24-hour telephone and internet banking services. In summer 2005, it announced the reintroduction of a mobile banking service, providing banking facilities to remote communities in Cornwall.



A NatWest branch today