



Commercial Banking & NatWest Markets

Investor Spotlight

20th May 2021





Paul Thwaite
Commercial Banking CEO

Commercial Banking &
NatWest Markets
Investor Spotlight

Topic

Presenter

Introduction

Paul Thwaite

Commercial Banking

Paul Thwaite

NatWest Markets

Robert Begbie

Technology & Innovation

Simon McNamara

Transformation

Jen Tippin

Q&A

Strategic priorities will drive sustainable returns

Our Purpose led strategy will drive sustainable returns for shareholders

Strategic priorities delivered through:

Sustainable growth with an intelligent approach to risk

Simplification and cost efficiency

Portfolio discipline and effective deployment of capital



1. Comprises customer loans in our UK and RBS International retail and commercial businesses
2. Operating expenses excluding litigation and conduct costs, strategic costs, operating lease depreciation and the impact of the phased withdrawal from the Republic of Ireland

Commercial Banking (CB) and NatWest Markets (NWM) together accounted for:

- 47% of NatWest Group's FY 2020 income (CB 37%; NWM 10%)
- 49% of Other expenses (CB 33%; NWM 15%)
- 46% of Operating profit before impairment (CB 53%; NWM n.m.)
- 60% of RWAs (CB 44%; NWM 16%)

NatWest Group financial profile, FY 2020

£m unless stated otherwise	Retail Banking	Private Banking	Commercial Banking	RBS International	NatWest Markets	Ulster Bank Rol	Central items & other ¹	Total NatWest Group
Income	4,181	763	3,958	497	1,123	510	(236)	10,796
Operating expenses	(2,540)	(455)	(2,430)	(291)	(1,310)	(486)	(393)	(7,905)
Operating profit before impairment	1,641	308	1,528	206	(187)	24	(629)	2,891
Operating profit	849	208	(399)	99	(227)	(226)	(655)	(351)
FY 2020 RoE (%) ²	10.2%	10.3%	(4.5%)	6.1%	(3.8%)	(11.7%)	nm	(2.4%)
Memo: FY 2019 RoE (%) ²	9.6%	15.4%	8.4%	25.7%	(3.2%)	2.3%	nm	9.4%

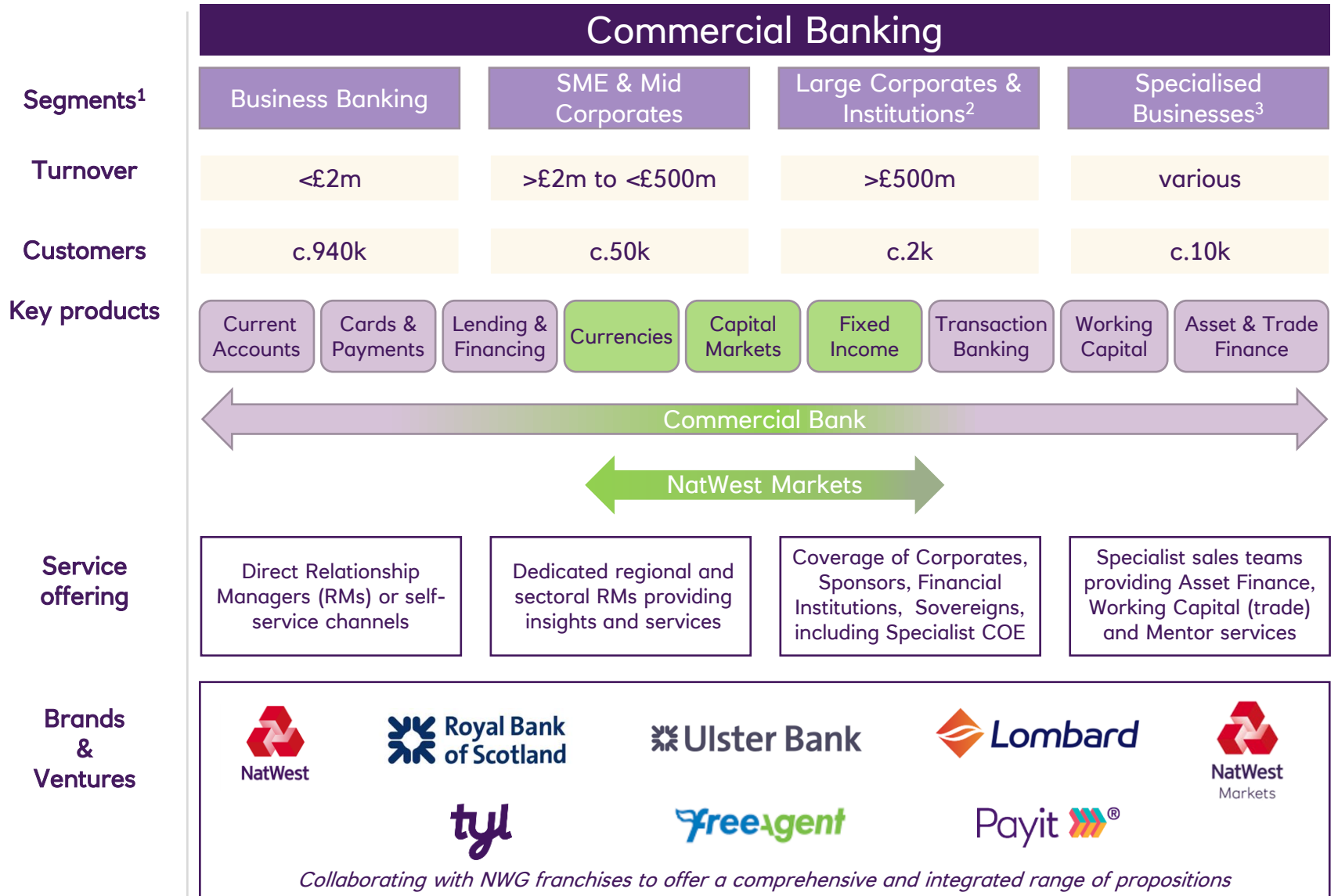
1. Central items & other includes unallocated transactions, including volatile items under IFRS. 2. NatWest Group's CET1 target is 13% - 14% but for the purposes of computing segmental return on equity (ROE), to better reflect the differential drivers of capital usage, segmental operating profit or loss adjusted for preference share dividends and tax, is divided by average notional tangible equity allocated at different rates of 14.5% (Retail Banking - 15% prior to Q1 2020), 12.5% (Private Banking - 13% prior to Q1 2020), 11.5% (Commercial Banking - 12% prior to Q1 2020), 16% (RBS International), 15% (NatWest Markets) and 15.5% (Ulster Bank Rol - 15% prior to Q1 2020), of the period average of segmental risk-weighted assets equivalents (RWAE) incorporating the effect of capital deductions. NatWest Group return on equity is calculated using profit for the period attributable to ordinary shareholders.

Relationship bank for a digital world, supporting all customers at every stage of their lifecycle

Serving c.1million customers across the UK

Leveraging capabilities across NatWest Group to offer comprehensive and integrated propositions

Accounting for 53% of NatWest Group's FY20 Operating Profit before impairments and 44% of RWAs



Notes: 1. Also includes other segments (not shown) comprising of c.1k customers in Real Estate, Commercial – EU Divestment and Other. 2. Large Corporates & Institutions (LC&I) includes Western Europe. 3. Includes Lombard Business.

Largest supporter of businesses, serving around 1 in 4 UK businesses

Starting from position of strength, with opportunity to target growth across lending and fee based products

We will support and meet more of our customers' needs, through regional and sectoral expertise

Underpinned by one of the leading Net Promoter Scores¹ and resilient market position

Notes: 1. MarketVue Business Banking from Savanta, Q1 2021 data, based on 494 businesses with a turnover of £2m+ in England and Wales. 2. MarketVue Business Banking from Savanta, Q1 2021 data, NatWest Group market share of 19.5% of businesses with a turnover less than £2m in Great Britain, based on 8,991 businesses. 3. Based on Dealogic, UK Corporates EUR, GBP, USD currencies investment grade issuance Q1 2021 4. Market share based off 2020 data of new business volumes. 5. Third party customer asset rate is the average over Full Year 2020. 6. Lending and deposits are customer balances as at end 2020. Lending is gross loans. 7. Indicative RoE % reflects a normalised cost of risk of c35bps, mid-point of NatWest Group guidance of 30-40bps through the cycle. Return on equity is based on segmental operating profit or loss adjusted for preference share dividends and tax, divided by allocated average notional tangible equity, assuming 28% tax rate.

Business Positioning (FY'20 financials)

Segments	Business Banking	SME and Mid Corporates inc. Real Estate	Large Corporates & Institutions	Specialised Business	Other Segments
Market Positioning	▪ Supporting c.20% of small businesses across the UK ²	▪ #1 and #2 lender to SMEs in 9 out of 11 regions of the UK	▪ Top 3 in UK Corporate IG Debt Capital Markets issuance ³	▪ 17% share of Asset Finance funding ⁴	▪ Comprises Commercial - EU Divestment and Other
Income £bn	0.7	1.7	0.7	0.6	0.3
Third party customer asset rate % ⁵	3.6%	2.9%	2.1%	3.0%	3.1%
Lending ⁶ £bn	13.5	53.9	21.4	14.8	7.4
Deposits ⁶ £bn	33.0	73.9	45.4	0.1	15.2
RWAs £bn	5.0	36.7	17.6	5.5	10.3
Indicative RoE ⁷	14%	9%	7%	8%	5%

Taking a customer focused approach to our business strategy

Continuing investment in our customers to accelerate build of digital capabilities to better meet customer needs

Driving quality growth in selected areas, aligned to our purpose and expertise

Simplifying, digitising and automating end to end

Underpinned by active capital management

Strategic priorities by segment	Business Banking	SME & Mid Corp	Large Corporates & Institutions
Supporting Customers ① Economic recovery and removing barriers to entrepreneurship ② Brexit support and transition to low carbon economy ¹			
Targeted Growth powered by Partnerships & Innovation ③ Fee income, including Payments ④ Targeted lending growth with Large Corporates ⑤ Integration with NatWest Markets products (e.g. FX, DCM, Rates)			
Simple to deal with ⑥ Build of digital capabilities ⑦ Lending and digital sales & service transformation			
Sharpened capital allocation ⑧ Active capital management and risk mitigation			

Championing support for businesses across the UK

Delivered 19%¹ of COVID-19 Scheme Lending & successfully launched Recovery Loan Scheme

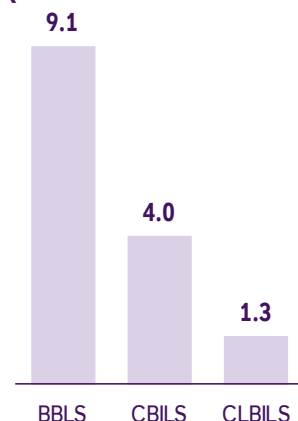
32k applications² processed via Pay As You Grow; ~70%² asking for an extension

Continuing economic recovery support and removing barriers to Enterprise

#1 finance provider to the UK renewables sector over the last 10 years³

Notes: 1. Of approved schemes, according to Data per HM Treasury available on 21st March 2021. 2. BBLS – Bounce Back Loan Scheme. Data as of 12 May 2021. 3. Information Deals (Acuris). Based on the aggregated totals for the United Kingdom for the 10 year period 03/12/2010-03/12/2020. 4. Total NatWest Group figure. Sectors in focus for management: Airlines, Transport, Retail, Leisure and Oil & Gas – per page 18 of NWG Q1 Results 2021. 5. Customer accounts with payments commencing in 60 days or under 6. Data as of 6 May 2021. 7. Upon completion in 2026.

Government scheme lending approved (as at Q1'21; £bn)



c.29%
of drawn lending to high oversight wholesale risk sectors⁴

c.8.9k
active payment holidays, representing £2.5bn (~2%) of the lending book

New government schemes launched

Pay As You Grow (BBLS)²

c.158k
accounts invited⁵

Recovery Loan Scheme⁶

c.4.6k
applications received

Championing SME economic recovery

Key public initiatives

£6bn

Funding to help SMEs scale (£4bn outside of London)

10,000

SMEs reached by 2022 via Enterprise programmes

75%

% of award winning accelerator places to granted to High Growth businesses

Supporting transition to net zero

Case Study

Service providers



Client



Services

- Lead Arranger of £5.5bn financing
- Executed FX of £2.5bn as part of risk management support

Project

DOGGER BANK WIND FARM

Biggest offshore windfarm in the world⁷

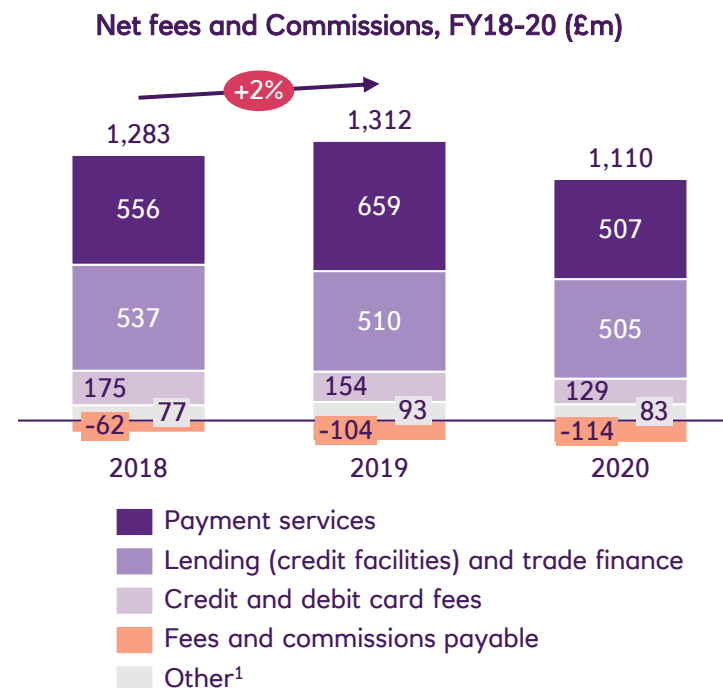
Supporting customer needs through purpose led partnerships and innovations

Net fees and commissions contributed c.30% to Commercial Banking income in 2020

Delivering targeted growth in Large Corporates & Institutions that aligns to our purpose

Multiple sources of fee income with strong growth prospects

- FY20 impacted by COVID-19 with **lending and trade finance remaining resilient**
- Addressing gaps and targeting growth through **investments in Payments, Transaction Banking and Cards**



Specialist growth in Large Corporates & Institutions



- **Building on history** of existing strengths & expertise in targeted areas

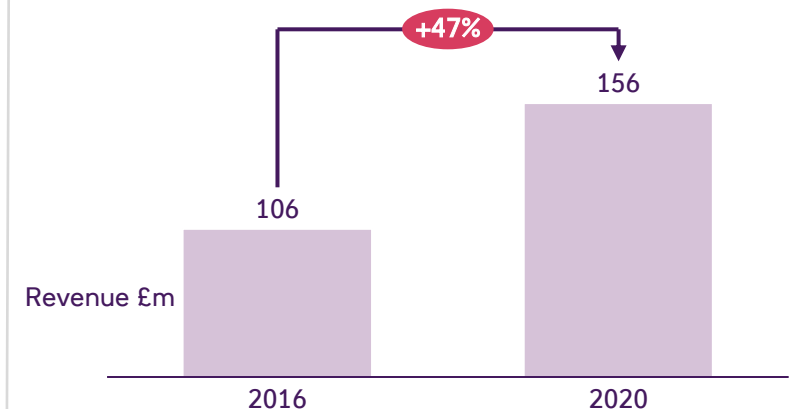


- **Key player in ESG**, aligned to growth in private capital and M&A activity



- **Collaborating across NatWest Group**

Proven track record of growth in target areas Example: Infrastructure and Project Finance



Improving customer engagement and driving efficiencies

Reducing costs in line with group targets

Continue to build digital channels, deploying expertise to customers in a more personalised way

Re-engineer, digitise and automate processes & key journeys, using technology & data

Transform Service & Operations; simplify lending journeys and reduce time to decision

Digital Engagement (Q1 2021)

82% Digitally active Commercial customers¹

c460k Mobile app users

3x Increase in Cora interactions from ~80k in Q1'20 to ~240K in Q1'21

68% Digital sales excluding government schemes²

114 Bots deployed for processing c.300k BBLS/CBILS applications

Progressing  towards

Transformation



Customer Relationship Management

Transforming operations and services for core capabilities

- CRM integrations allowing RM's broader visibility and data insights on all Commercial customers

Digitisation



Mobile App

Enhancing customer experience with additional digital capabilities to be introduced

- Financial and personalised data insights
- Further integration with FreeAgent

Automation



Customer journeys

Automating self service for everyday journeys

- Advancing Cora capabilities for supporting customers
- Improving operations via Intelligent Document processing

High

Impact

Low

Proactive capital management and risk mitigation aligned to our priorities

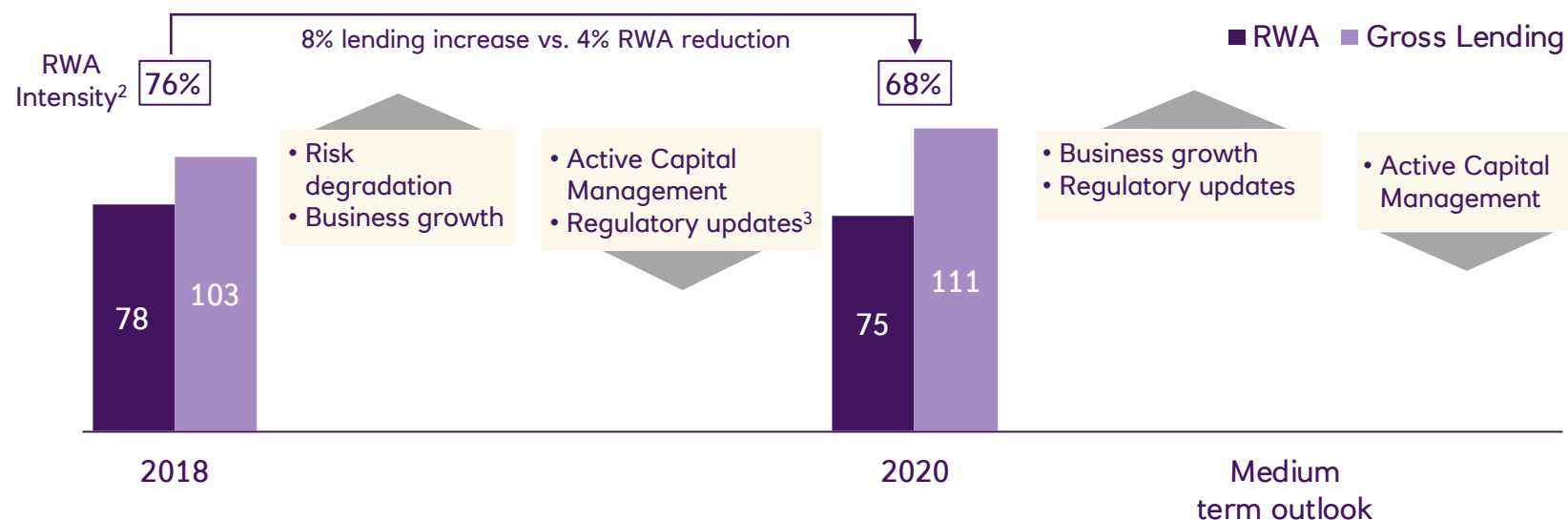
More disciplined and efficient capital allocation supported by enhanced distribution activities

Reflecting pricing strategy on evolving economic outlook, risk and climate transition risk

~£15bn¹ of sustainable funding and financing across Commercial Banking and NatWest Markets in 2020 and Q1 2021 (~75% of NatWest Group's £20bn target)

Notes: 1. £10.2bn in NatWest Markets and £4.7bn in Commercial Banking. 2. RWA intensity = RWAs / Total loans to customers (amortised cost). 3. Including Methodology and model updates, and transfers. 4. ~45% of gross lending and investment balances at Dec'2019. 5 Customers engaged in coal (thermal and lignite) related mining, trading, power generation and supply activities.

Range of strategies deployed to drive capital efficiency (RWA and Lending, £bn)



Active management

- Close monitoring of COVID-19 impacted sectors with appropriate ECL coverage
- Active review of new business, including renewals
- Portfolio sales & synthetic trades: £0.8bn RWA benefit in 2020 and £0.6bn in Q1 2021

Dynamic pricing

- Existing models reflect both counterparty risk and sector cyclicity
- Ongoing review of pricing strategy to reflect evolving risk and economic assumptions
- Incorporating climate as part of our capital allocation process

Climate commitments

- Estimated emissions for 4 high carbon emitting sectors⁴
- Developing Paris alignment pathways for key sectors
- Developed methodology to assess credibility of transition plans of Oil & Gas majors and coal customers⁵

We remain focused on delivering long term sustainable performance

Leveraging our competitive positioning and innovation to grow income

Strong cost discipline

Proactive capital approach

Working with NatWest Markets on our purpose-led and integrated proposition

Our path to sustainable RoE is underpinned by core value levers

P&L (£m)	FY'19	FY'20	Q1'21	Medium term outlook vs. FY'20
Net interest income	2,842	2,740	643	
Non-interest income	1,476	1,218	298	
Total income	4,318	3,958	941	
Other expenses ¹	(2,236)	(2,261)	(548)	
Operating expenses	(2,600)	(2,430)	(583)	
Operating profit before impairments	1,718	1,528	358	
Impairment releases/ (losses)	(391)	(1,927)	117	
Operating profit	1,327	(399)	475	
RoE (%)	8.4%	(4.5)%	14.9%	
Balance Sheet (£bn)	FY'19	FY'20	Q1'21	
Net loans to customers - amortised cost	101.2	108.2	106.6	
Customer deposits	135.0	167.7	169.4	
RWAs	72.5	75.1	71.6	

▪ **Targeting growth:** Lending, digital capabilities, expansion of payment and fee propositions

▪ **Continued investments:** Innovation including Ventures and product development critical to creating sustainable long term returns

▪ **Delivering cost efficiencies:** Simplification, digitisation & automation, leveraging Group capabilities & data

▪ **Managing capital discipline** and continuing to manage our risk exposure

▪ **Working with NatWest Markets** to improve capital allocation and deliver joint customer propositions



Robert Begbie

NatWest Markets CEO

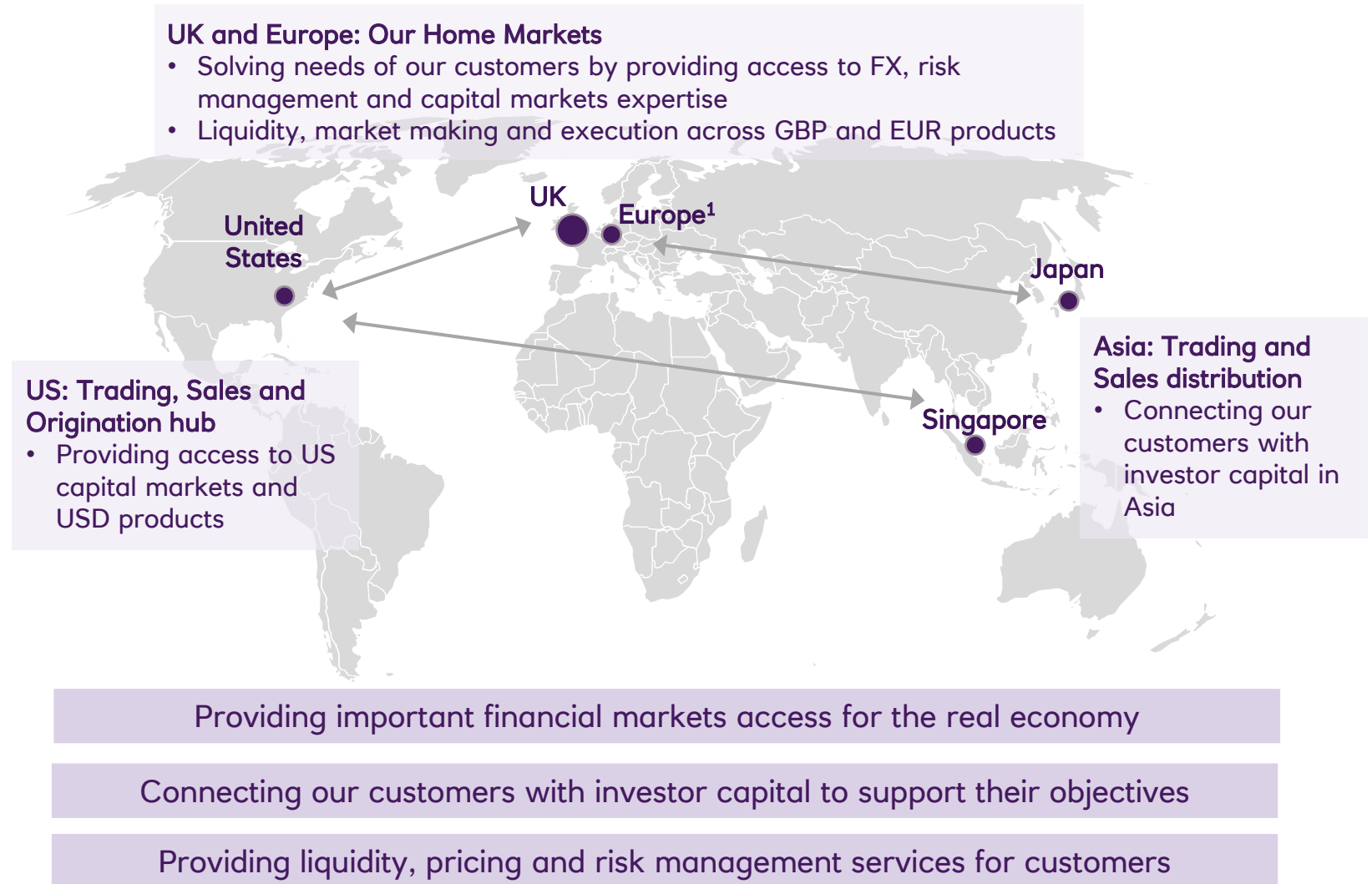
NatWest Markets will be the partner of choice to meet the financial markets needs of Group customers

Well integrated and strategically important Markets platform of the Group

Provide expertise and financial markets access to deliver core capabilities across the Group

Focused on our customers in areas where we add the most value and have a strong track record

NatWest Markets overview



1. European presence in Netherlands, France, Germany, Italy, Stockholm and Dublin

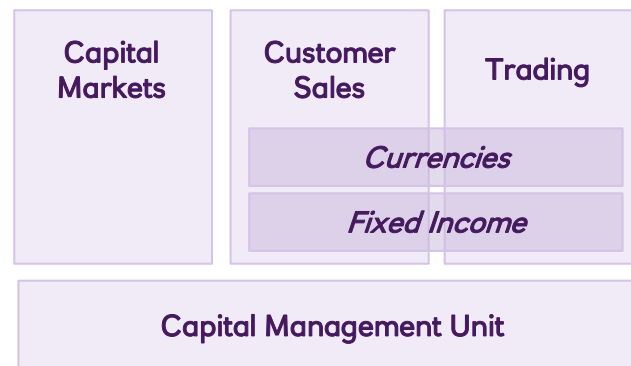
Foundations in place for a sustainable business

Significant progress in 2020 against our transformation objectives:

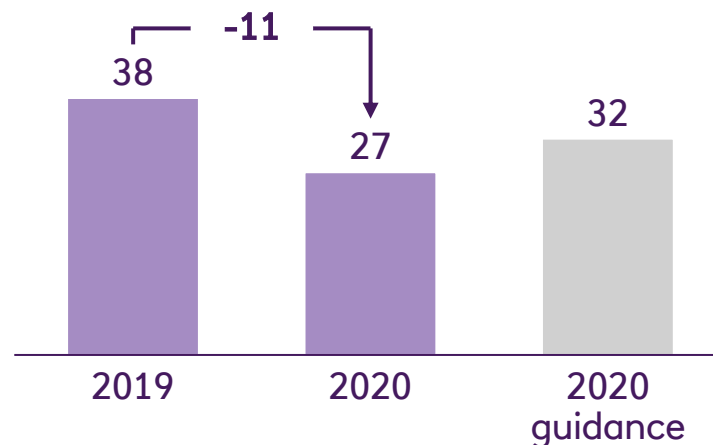
- New customer-led model
- Simplified product offering
- ~£140m reduction in operating expenses excluding strategic, litigation and conduct costs
- £11bn RWA reduction and £0.5bn dividend to NatWest Group
- Improved credit ratings¹;
 - Moody's: 2 notches to A3
 - Fitch: 1 notch to A+

1. Long term senior unsecured ratings

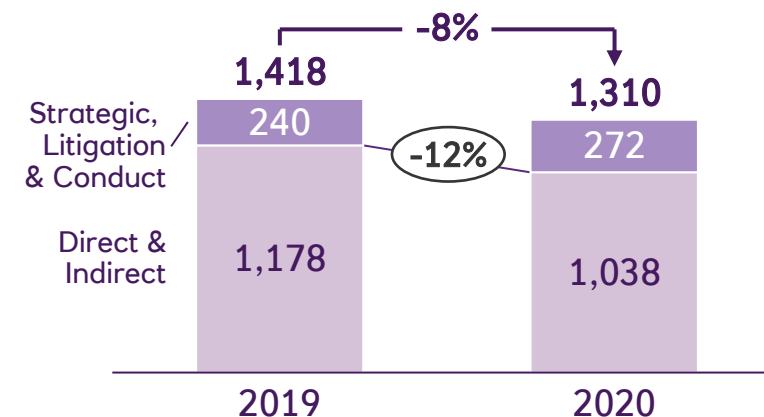
New Customer-led model in place



RWA reduction ahead of plan, £bn



Operating expenses reduction, £m



One-bank operating model

~2.5k Employees

Transferred to NatWest Holdings in 2020 to deliver one-bank operating model, leveraging group services and technology to drive efficiencies

Focusing on NatWest Group C&I customers

NatWest Markets plays an important role in delivering critical financial markets services to Group customers as part of a purpose-led and integrated proposition with Commercial Banking

We are increasing our focus and resources to customers who play a critical role in the Real Economy

We have clear capital allocation objectives across our customer segments in line with our purpose

Target to deliver sustainable returns across C&I customers

1. Number of customers reflects those enabled to transact with NWM.
2. Return on equity is based on segmental operating profit or loss adjusted for a normalised cost of risk, preference share dividends and tax, divided by allocated average notional tangible equity, assuming 28% tax rate.

Corporate & Institutional customer segments

	Corporates	Sponsors	Financial Institutions	SSA
Number of customers ¹	~8,500	~300	~3,000	~100
Customer profile	• Mid and Large Corporates (incl. MNCs) • Corporations domiciled in the UK, Europe or with strong UK linkages	• Private Equity firms and Fund customers with a strong UK and Europe presence or investment objectives	• UK centric and Global Financial Institutions with strong UK nexus • Banks, Non-Banks, Insurers, Pension Funds and Asset Managers	• UK and European DMO • Supranational and Agencies

NWG proposition



Customer Coverage



8%² illustrative RoE over the medium term for NatWest Group's C&I customers

Commercial

NatWest Markets

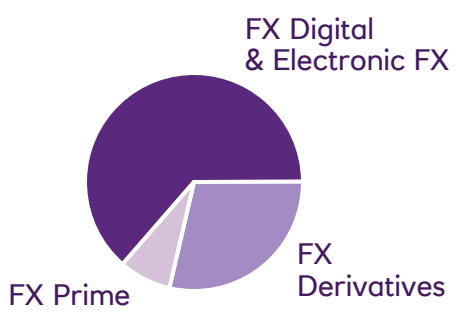
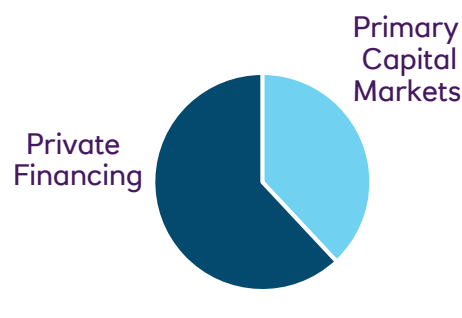
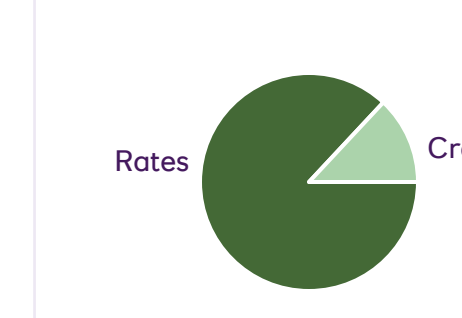
Providing capital markets and risk management expertise to customers

Digital led Currencies business that's highly connected across NatWest Group

Growing Capital Markets business leading with innovative solutions in collaboration with Commercial Banking

Focused Fixed Income business providing liquidity, risk management and market making

1. FX Markets Best Banks Awards 2020
2. Greenwich Associates Global FX Study, UK Corporates, 2019, awarded April 2020
3. GlobalCapital Bond Awards 2020
4. GlobalCapital Private Debt Awards 2020, awarded in Feb 2021
5. Dealogic FY 2020
6. Risk Awards 2021
7. Consensus Economics May 2019
8. Greenwich Associates European Fixed Income Rates 2020

	Currencies	Capital Markets	Fixed Income
What we do	FX Spot and FX Forwards, Options and Cross Currency Swaps as well as FX prime brokerage services and digital solution	- Helping customers access in global debt capital and private markets - Market leading structuring and distribution expertise	- Cash Bonds, Repo and Interest Rate Derivatives in Rates - Provide liquidity and credit for Investment Grade and High Yield for issuers
Market awards	- Best bank¹ for UK SMEs - UK Corporates FX Service Quality Leader² for the last 7 years - Best bank¹ for Post trade Services and FX Prime Brokerage	- Most impressive FIG house in GBP³ - Best agent of international US Private Placements⁴ #1 lead manager for sustainability labelled debt for UK Corporates⁵	#1 in Gilts estimated by notional share⁸ - Inflation derivatives house of the year⁶ - Most accurate UK economy forecaster⁷
Income mix (Q1'21)	 51%	 32%	 17%

Q1'21 income mix excluding asset disposals/strategic risk reduction, own credit adjustments, Capital Management Unit and revenue share pay-away

Targeting organic growth in areas where we can add the most value for our customers

We are focused on developing the Capital Markets and Currencies business

Collaborating as One Bank, we will maintain leading positions in our chosen markets and grow in our areas of focus

Generate sustainable and attractive returns through the cycle with efficient capital usage

NatWest Markets customer growth priorities



Grow ESG expertise and capability by building on our Capital Markets experience



Grow our Sponsors & Funds Financing activity in Capital Markets alongside RBS International



Support the refinancing needs of customers following the pandemic in collaboration with Commercial through capital markets access



Investing in Digital FX and greater integration of FX into payments across NatWest Group e.g. Bankline



Increasing FX penetration with mid and large Corporates and develop our strategic FX solutions capability

We are building on strong ESG expertise to support customers and our climate agenda

Growing Green, Social and Sustainable (GSS) bond activity

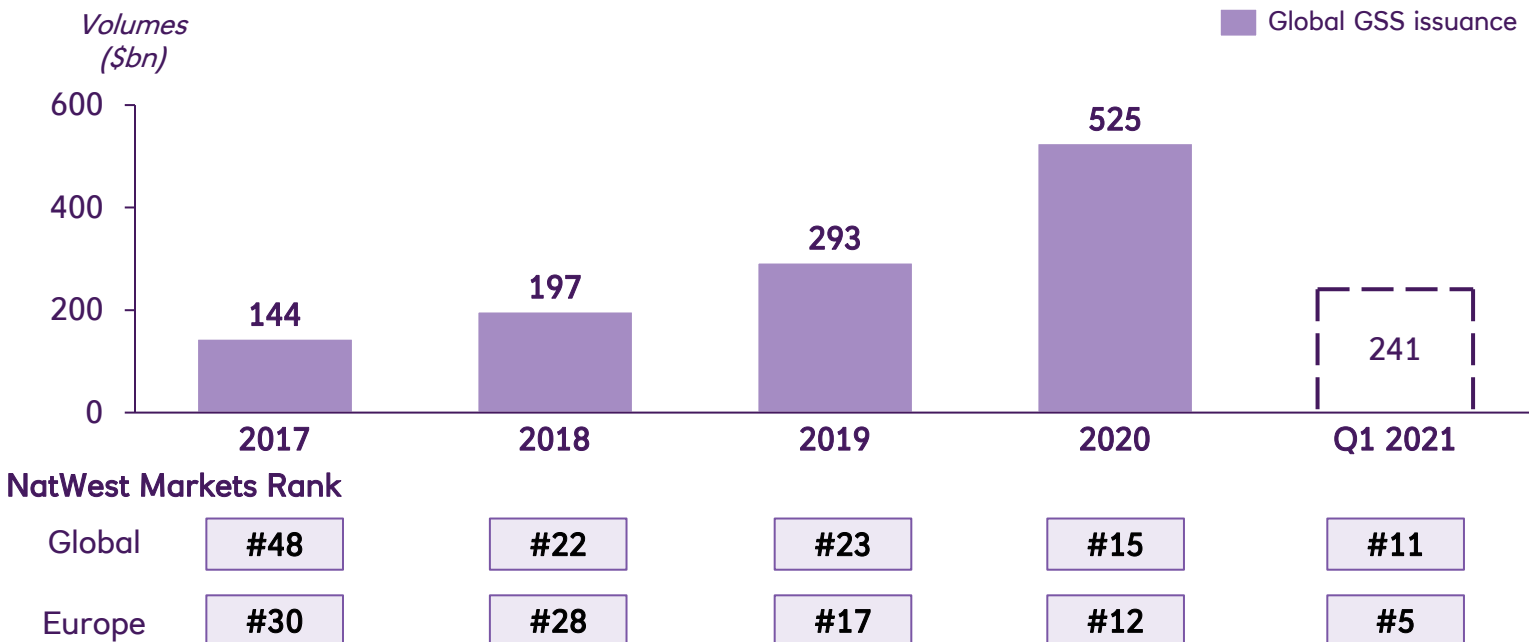
Deepening relationship with institutional investors on their ESG strategies

Acceleration of climate related funding and financing with £7.2bn raised in 2020 and £3.0bn in Q1 2021 (~50% of NatWest Group's £20bn target)

Investing in our ESG capability to support customers and our purpose

- Established ESG centre of expertise to innovate and develop solutions for customers
- Executed our first corporate ESG-linked FX derivative transaction in March 2021
- #1¹ for GSS Bonds for UK Corporates and European Corporate Hybrids in 2020
- Awarded² lead manager of the year in Green Bonds for SSAs and lead manager of the year in Sustainability Bonds for local authority / municipality issuers in 2021

Global GSS issuance volume and ranking



1. GSS issuance volumes, market share and market positions based on Dealogic
 2. Environmental Finance's Bond Awards 2021
 3. ESG denotes Environmental, Social and Governance

Simplifying to improve efficiency and customer experience

We are transforming how we operate to simplify the business for colleagues and customers

We are investing over the next 3 years to deliver our transformation goals and one-bank priorities

Multi year transformation mobilised to deliver a sustainable and efficient markets platform for the Group, operating on a lower operating expense base

1. Next 3 years denotes 2021-2023

Theme	Examples
Business Simplification 	- Reshaping of front office and organisational design - Rightsizing of US and APAC footprint and operating model - Developing electronic coverage model for sales - Agreement with BNP Paribas for the execution and clearing of listed derivatives
One-bank model 	- Consolidated certain customer coverage teams into Commercial - Simplify customer journeys through common processes and data - Leveraging NatWest Holdings centres of excellence for shared services and functional support to drive synergies
Technology transformation 	- Streamline and simplify technology and infrastructure estate - Reduction in # of applications - Migration of applications to Cloud hosting and exit data centres - Transform post trade services and processes

Sharper capital discipline and allocation of capital

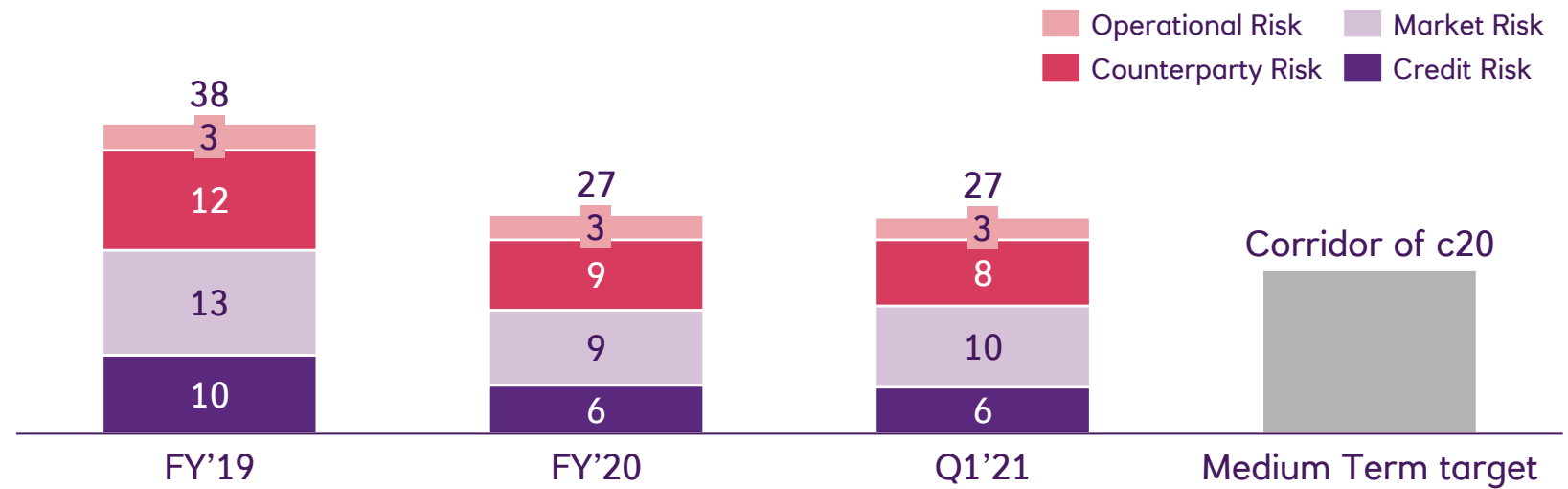
Capital Management Unit actively manages capital allocation and optimisation across the businesses

Target of c£20bn RWAs in the medium term, with the intention to achieve the majority of this reduction by the end of 2021

Once the restructuring is complete we aim to operate within a corridor of around c£20bn

Returning capital to the Group through dividends over the medium term

Risk Weighted Assets (£bn)



2020 RWA reduction of £11bn

- Capital optimisation and risk reduction actions
- Product exits and rationalisations
- Derivative portfolio unwind and novation of collateralised packages and single uncollateralised names
- Full exit of remaining SABB shares held
- £83m of Asset Disposal costs in 2020

Remaining RWA reduction

- Reduction in Derivatives portfolio
- Further reduction in Market Risk and Credit Risk
- £4m of Asset Disposal costs in Q1 2021
- We expect NatWest Markets disposal losses to total £0.2bn of losses in 2021

We aim to deliver improving returns

Focused on serving our customers where we add most value

Investing to deliver a simpler and efficient Markets platform for the Group and reduce operating expenses

Returning capital to the Group, £500m paid in Feb'21

1. Fixed income comprises Rates and Credit trading
2. Credit trading and Capital Markets were previously reported as Financing
3. Capital Management Unit set up in Q3'20 to manage the capital usage and optimisation across NatWest Markets. The income shown relates to legacy assets.
4. FY'19 includes positive impact from the disposal of Alawwal through the merger with SABB in H1'19

Note: This presentation contains forward-looking statements, please see Forward-Looking Statements on slide 41.

P&L (£m)	FY'19	FY'20	Q1'21	Medium term outlook vs FY'20
Fixed Income ^{1,2}	496	518	39	
Currencies	432	583	118	
Capital Markets ²	362	384	74	
Capital Management Unit ^{3,4}	340	(62)	8	
Revenue share	(208)	(193)	(48)	
Income ex. Asset disposals and OCA	1,422	1,230	191	
Asset Disposals	-	(83)	(4)	
Own Credit Adjustment (OCA)	(80)	(24)	2	
Total income	1,342	1,123	189	
Other expenses	(1,178)	(1,038)	(240)	
Operating expenses	(1,418)	(1,310)	(275)	
Impairment releases/ (losses)	51	(40)	6	
Operating profit	(25)	(227)	(80)	
RoE (%)	(3.2)%	(3.8)%	(6.3)%	
Balance Sheet (£bn)				
Funded Assets	116.5	105.9	105.7	
RWAs	37.9	26.9	26.5	
Average RWAs	43.7	34.7	26.8	

- Income £0.8-1.0bn over the medium term
- ROE low to mid-single digit over the medium term
- RWAs within corridor of c.£20bn in the medium-term with the intention to achieve the majority of this reduction by the end of 2021



Simon McNamara

Chief Administrative Officer,
Services

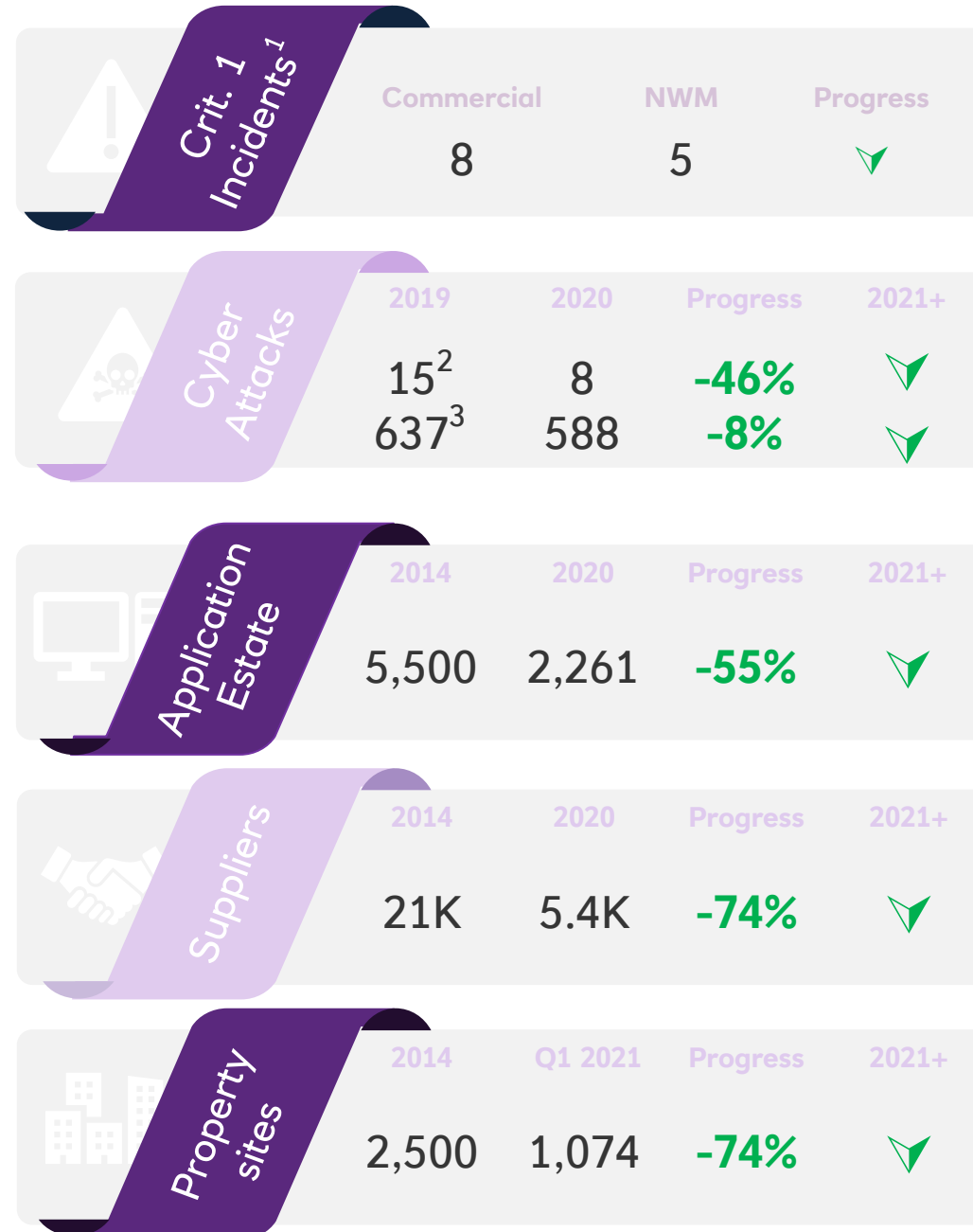
Resilient whilst investing in core capabilities

CAO Services provides Technology, Data, Property & Supplier services as well as Financial Crime, Fraud & Shared Operations to the Franchises

Investing to maintain stability & resilience, as well as improve detection and management of Cyber attacks keeping customers safe

A simpler technology estate, moving to Cloud – enabling Tech Run costs to reduce by 25%⁴

1. FY'20 – incidents can impact across multiple franchises as such this will not total to the Group Critical 1 incidents of 8 for FY'20
2. Distributed Denial of Services (DDoS) attacks managed.
3. Malware alerts managed - Malware is any software intentionally designed to cause damage to a computer, server, client, or computer network
4. Reduction since 2014.



c£100m

Investment p.a in keeping our Technology current.

1,092

Apps hosted in Cloud.
>40% of application estate in last 4 years.
Scalable, on-demand computing services allowing us to be more agile and cost efficient.

Turned legacy technology estate which was disconnected, into a connected, current and more agile platform to serve customers, powered by cloud, APIs and the use of automation tooling.

Simple to deal with

NatWest Markets Transformation is driving cost reductions through re-use of common capabilities

Revised operating model brings Chief Digital Information Office & Operations into Services, alongside centres of excellence

Leveraging core capabilities to reduce costs

55 applications planned for decommission in 2021

Simplifying & optimising applications, reducing costs to run

Modernising the NatWest Markets colleague platform experience whilst reducing Technology costs associated with running duplicative, end of life² platforms

NatWest Markets	Now	Future State
Overview	Disparate systems	Joined-up One Bank Digital Experience
Operating System and tools	Windows 7 ² Office 2010 ²	Windows 10, Office 365, Microsoft Teams, Workplace, Leankit, Symphony
Communication	Skype, Lync (Group Chat), Symphony, Zoom (NatWest Markets)	Teams, Symphony, Zoom (One Bank)
Technology Kit	Legacy Desktop	Chromebooks, Improved remote access Moonshot
Support	Dedicated duplicative end-user support through NatWest Markets	Standard One Bank support, AI 'Ask Archie', Trade floor support for front office
Telephony	Avaya Desktop	Zoom

Supporting c.4% cost reduction per annum across the Group through to 2023¹

1. Other expenses, excluding OLD and Ulster Bank Rol direct costs
2. EOL = End of life. Includes those that are unsupported by third parties e.g. Bloomberg

We continue to maintain resilience whilst innovating, adapting and focusing on driving returns through digitisation

Cora, our digital assistant that originated in Retail is deployed and supporting Business Banking customers

Capabilities developed clearing COVID-19 backlogs repurposed to support Lending Journey

Bounce Back Loan Scheme scaled quickly with use of Bots



114 Bots quickly deployed to support the processing of ~300k BBLS/CBILS² applications, equivalent to ~1,000 FTE³ at peak volume



Held 0.5m conversations with Business Banking customers in 2020, an increase of 150% over 2019. Over 40% required no human intervention



Intelligent Document Processing capability implemented in the Customer Due Diligence journey – estimated reduction in effort of c.80%, where manual extraction of data is taking place



Code built to support customers requesting Capital Repayment Holidays due to Covid-19 is now used in our Lending Journey. Customer Service improvements now written in a single code base enabling quick roll-out across other digital channels

Supporting c.4% cost reduction per annum across the Group through to 2023¹

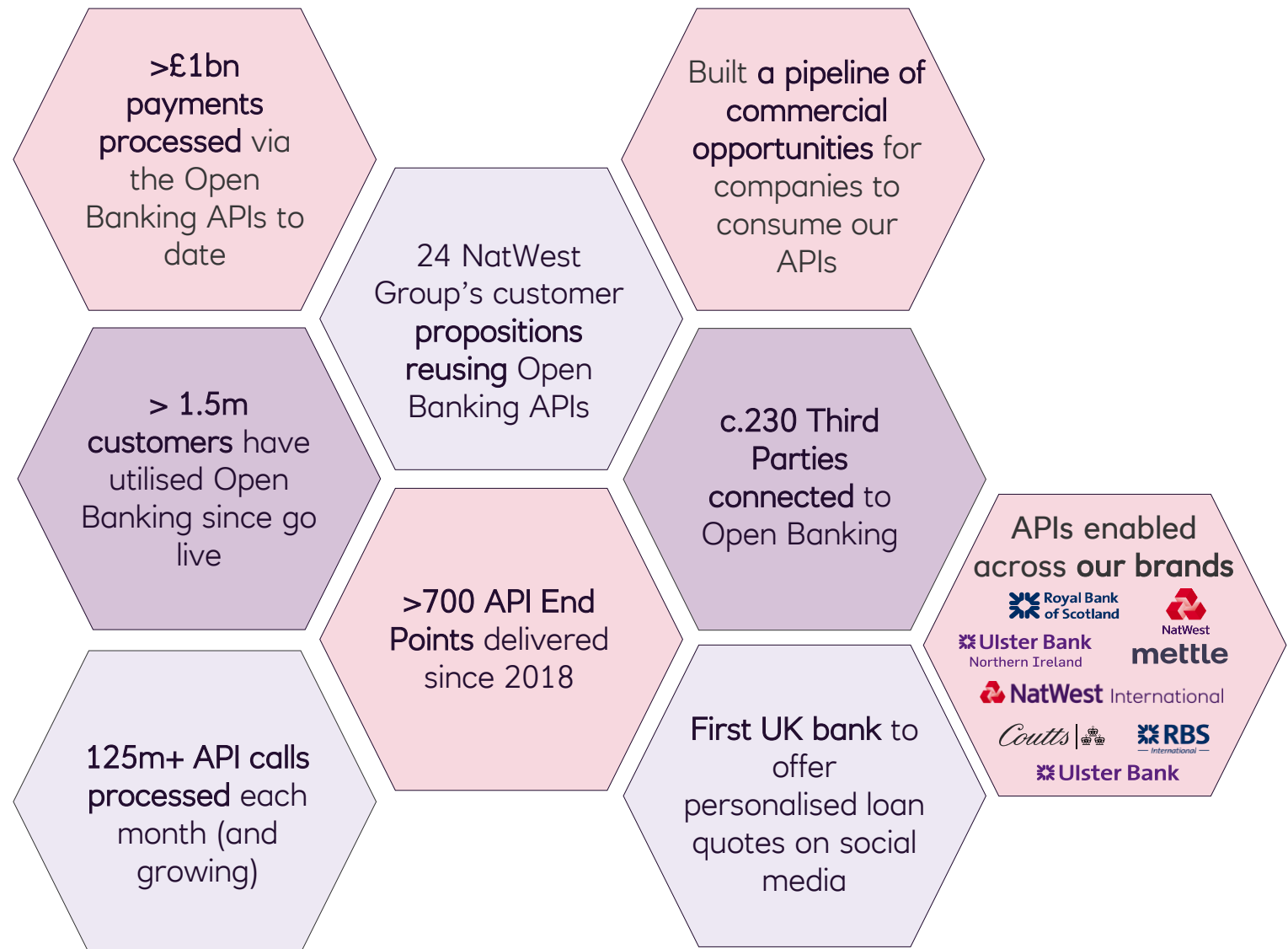
1. Other expenses, excluding OLD and Ulster Bank Rol direct costs
2. Bounce Back Loans Scheme / Coronavirus Business Interruption Loan Scheme
3. Based on peak volumes and processing in the same timescale

We see Open Banking and the use of APIs¹ as a business enabler rather than regulatory compliance

Key to creating and exploiting new markets and streams of income will be our API services which act as the chain link connecting our bank to channel providers

1. Application Programming Interface is a software intermediary that allows two applications to talk to each other

Our focus has pivoted to creating the Bank of APIs as we deliver new customer propositions on bank and non-bank channels.



Our Innovation ecosystem combined with APIs enables us to deliver the services our customers want and need.

One Bank SME & Payments proposition.

Supporting our large Financial Institutional customers by sharing our Faster Payments capability enabling them to improve their service and lower costs

Using APIs to grow existing & create new fee income.

Integration of Tyl

- Integration of Tyl with Mettle, Payit and FreeAgent creates a merchant ecosystem for the One Bank SME proposition
- Offers merchants and consumers choice of eCommerce and payment methods, linked with data-led insights and personalised loyalty schemes

Foreign Exchange

- Through APIs we are connecting our FX capabilities with existing digital channels, such as Bankline, to unlock fee income opportunities through enhanced customer journeys

Indirects payment API

- Financial institutions plug secure API technology directly into their existing infrastructure and provide their customers with 24/7 secure access to faster payment services. Significant cost saving versus developing their own capability and deepens relationship with NatWest

Data Sharing

- Personally Identifiable Information data sharing with third-parties through APIs to facilitate new customer onboarding.
- Signed a commercial agreement with a leading global e-commerce platform allowing our customers to rapidly onboard as merchants

Driving Fee Income growth in Commercial Banking & NatWest Markets

Supporting customers through every stage of their lives

Using data to deliver highly personalised insights that help customers to thrive and stay safe, a differentiator in attracting & retaining customers

Identify behavioural patterns, providing insights to Commercial Banking customers

Tailored customer support and personalised digital messaging

Analytics platforms to facilitate smarter decisions on capital use

Example 1	Leveraging consumer insights for commercial businesses	Proof of concept of data ‘learning tools’ that combine debit card payments and account data to provide new insights for our commercial customers to grow their businesses (e.g. local spending trends)
Example 2	Personalised customer support through BBILs / CBILs	Targeted and personalised communications through the pandemic, helping customers with their cashflow, management of government schemes and migration to digital services
Example 3	Analytics supporting One Bank capital allocation, insights and new propositions	A single view of customer returns driving sharpened capital allocation, granular insights into drivers of value/cost and generating insights into new propositions

Supporting lending growth above market rate through to 2023 in our Retail and Commercial businesses¹

1. Net lending to customers across the UK and RBSI retail and commercial businesses, excluding UK Government lending schemes



Jen Tippin

Chief Transformation
Officer, Transformation

We are driving the execution of our strategic priorities with a new approach.

We are working in collaboration with NatWest Markets and Commercial Banking to deliver incremental value beyond what the franchises can deliver alone

Building sustainable returns through....

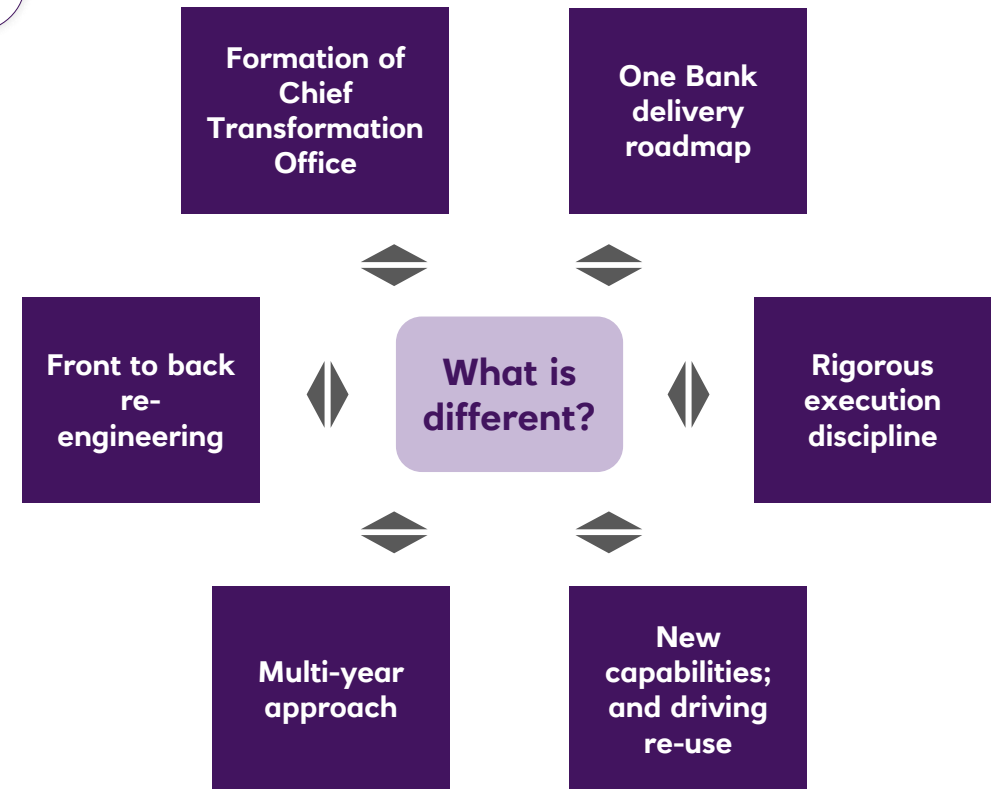
Comprehensive transformation effort (growth, simplification and capital)

Effective, multi year investment prioritisation of £3bn portfolio

Transforming end to end customer journeys

Driving growth and efficiency savings of c4% net per year¹

Building new capabilities and maximising for re-use



1. Total expenses excluding litigation and conduct costs, strategic costs, operating lease depreciation and the impact of the phased withdrawal from the Republic of Ireland.

The delivery of the 9-10% ROTE target by 2023 is supported by a One Bank Transformation programme comprising seven workstreams

We will share how these workstreams are directly supporting Commercial and NatWest Markets by bringing to life examples from:

- Customer Journeys & One Bank Capabilities
- Portfolio Discipline

				Objectives	
GROWTH	SIMPLIFICATION	CAPITAL	PARTNERSHIPS & VENTURES	Customer Lifecycle	Drive growth in priority segments and deepen existing customer relationships by building lifecycle management capabilities and culture
				Digitisation & Distribution	Digitise and personalise customer experiences across touchpoints and simplify our local banking model
				Customer Journeys & One Bank Capabilities	Simplify priority Customer Journeys end-to-end and drive re-use of One Bank capabilities across franchises
				Organisation, Skills & Culture	Deliver a simple One Bank organisational model (including entities, brands, locations and functional support) and the mindset/culture, skills and colleague experience to underpin the transformation
				Technology & Data	Build and maintain a common modular technology platform with high levels of straight through processing & a bank-wide customer DNA capability for smart customer relationship management.
				Partnerships & Ventures	Outline and execute a One-Bank strategy for innovations, ventures and collaborations that supports the delivery of the Bank's overall strategy
				Portfolio Discipline	Build and run a bank-wide capital management unit and embed continuous improvement in capital productivity across the bank

Simplifying, digitising and automating the customer journey for c.940k business banking customers

Driving increased customer satisfaction and experience whilst reducing cost

Supports our goal of £300m gross savings through Customer Journey re-engineering by 2023

NPS¹ has improved from -5 to -1, targeting further improvement by 2023

1. Improvement over 12 months. Source: MarketVue Business Banking from Savanta, Q1 2021 data, based on 961 businesses with a turnover of less than £2m. Data weighted by region and turnover to be representative of businesses in England and Wales.

Transformation	 Customer Relationship Management	Transforming operations and services for core capabilities • Direct Relationship Manager service provided to 16k additional customers • Re-integration of EU divestment
Digitisation	 Enhanced Features	Enhancing customer experience with additional digital capabilities to be introduced • For online and in the app • Customer prompts and insights
Automation	 Customer journeys	Automating self service for everyday journeys • Digitisation of 17 key service journeys to promote self-serve • Creating a consistent experience and safe / stable operating environment

These initiatives as well as digitisation of 17 key service journeys promote self serve and drive cost benefits of c.£19m

Spotlight on Microsoft Dynamics 365

Progress (April 2021)

940k

Customers supported

6.5k

Colleagues supported

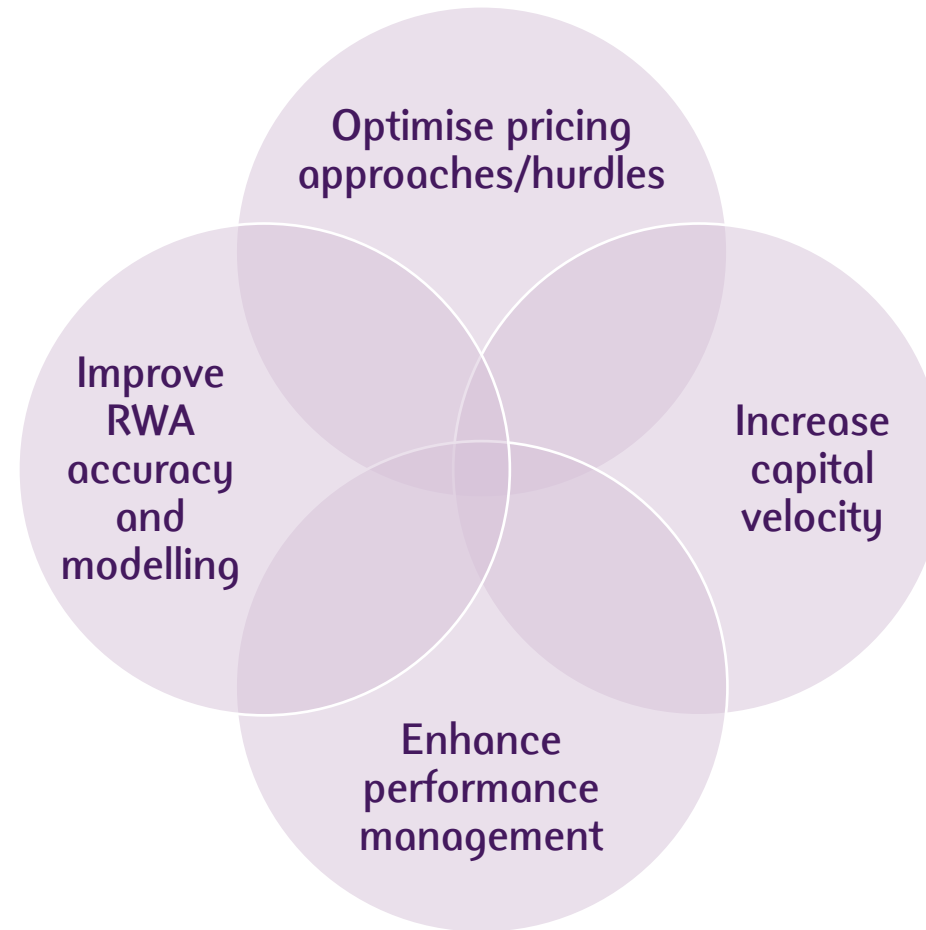
- CRM system allowing us to serve more customers at a lower cost with a better user experience
- Integration with other technology platforms
- Moving towards a single view of customer
- Business Banking accessible to customers through more channels of choice eg video
- Full integration of Cloud 9 telephony and D365 expected by June, delivering enhanced productivity and efficiency

Following key strategic decisions, work is underway to build and run a bank-wide capital management unit

This is being run through the Portfolio Discipline workstream and involves leveraging proven capability built within NatWest Markets and reusing it across the Group.

Another example of re-using capability can be seen through NatWest Market's Foreign Exchange capability supporting Commercial customers.

Leveraging NatWest Markets capability is helping to embed a Capital Management Unit across the bank:



Case study:

One Bank Capability in Foreign Exchange

- Commercial and NatWest Markets are collaborating on a number of opportunities to unlock opportunities to better service and anticipate the foreign exchange and international payments needs of customers.
- Through better use of data to identify opportunities and significant work undertaken to improve onboarding, the benefits of increased referrals and revenue are already being seen
- This initiative has the ability to support growth and is enabled through the re-use of NatWest Markets capabilities

Simplifying our business to deliver a step change in customer experience, controls and costs

We will deliver c.4% net reduction in costs per annum through to 2023¹.

Capability



Real time cost process

Transparency of reporting

Intelligent Insights

Partners in Cost Execution

Impact



Single, live view of all cost initiatives and outcomes

Single source of the truth on Bank wide cost performance, outcome delivery, risks and opportunities

Identify strategic opportunities in the franchises to drive efficiency and productivity

Execution capability for pan-bank initiatives

Underpinning the delivery of our 4% net cost reduction target with key capabilities

Case Study:

- In 2020 and 2021 NatWest Markets concluded a **refunctionalisation** programme to realign support functions to NatWest Holdings.

- c2,500 FTE moved to NatWest Holdings, generating an associated cost reduction of c.£30m per annum for the Group.

- Through building **transparency and insight** across the cost portfolio, we have identified and are accelerating the downstream benefits of refunctionalisation for NatWest Group:
 - Functional transformation –zero based design, automation of data
 - Optimising organisation design
- With **active outcome tracking from idea to value**, the estimated annual benefit of these initiatives for the NatWest Group is £100m+ per annum.

1. Other expenses, excluding OLD and Ulster Bank RoI direct costs

Our Purpose led strategy will drive sustainable returns for shareholders

Strategic priorities delivered through:

Sustainable growth with an intelligent approach to risk

Simplification and cost efficiency

Portfolio discipline and effective deployment of capital



Executing this programme drives our delivery of the Group 9-10% RoTE target for 2023

1. Comprises customer loans in our UK and RBS International retail and commercial businesses.
2. Total expenses excluding litigation and conduct costs, strategic costs, operating lease depreciation and the impact of the phased withdrawal from the Republic of Ireland.

Q&A



Biographies



Paul Thwaite, CEO Commercial Banking

Paul Thwaite was appointed CEO, Commercial Banking in November 2019 and is responsible for the business supporting customers ranging from SME's through to multi-nationals. Paul has previously held senior business and functional roles across Wholesale, Corporate, International and Retail Banking and prior to being CEO, was most recently responsible for the bank's SME franchise and commercial product businesses.



Peter Norton, CFO Commercial Banking

Peter was appointed CFO of Commercial Banking in February 2020. Before joining the Group in October 2018 as Head of Group Strategy, Peter spent four years at UK Financial Investments managing HMG's shareholdings in NatWest Group, Lloyds and UK Asset Resolution, serving as a Non-Executive Director of Northern Rock Asset Management and Bradford & Bingley. Prior to working for UKFI, Peter was an investment banker at Lehman, Nomura and UBS.



Robert Begbie, CEO NatWest Markets

Robert was appointed CEO of NatWest Markets in June 2020. He has been with the Group for 40 years and has extensive experience in treasury and capital markets across fixed income, derivatives, asset management and cash markets and has led teams in the UK, Europe, Asia and the US. After spending 20 years in the Markets business, Robert joined Treasury in 2009 and was appointed as Group Treasurer in 2017.



David King, CFO NatWest Markets

David joined NatWest Markets as Chief Financial Officer in 2020. David is collectively responsible for the long-term success of NatWest Markets and the delivery of sustainable shareholder value. David was CEO at MUFG Securities, where he was previously CFO. He has held senior finance roles at Lloyds, HBOS and Halifax, and worked in the RBS Financial Markets Finance team between 1995 and 2001.



Simon McNamara, Chief Administrative Officer

Simon joined NatWest Group in Sept 2013 and leads our Services business, the engine room supporting all of our customer facing brands. He has held a number of critical technology and operations roles for major global financial organisations and established a successful start-up in Silicon Valley. He is also Chairman of Pollinate, an organisation transforming commerce for SME's.



Jen Tippin, Chief Transformation Officer

Jen was appointed as Chief Transformation Officer in August 2020. She is responsible for executing the strategy to create the very best customer experience as well as managing the Group's investment portfolio, efficiency and the build of one bank capabilities. Prior to joining the Group, Jen spent 15 years at Lloyds Banking Group in a variety of different roles.

Cautionary and Forward-looking statements

The guidance, targets, expectations and trends discussed in this presentation represent NatWest Group (and where applicable NWM Group) management's, current expectations and are subject to change, including as a result of the factors described in the "Risk Factors" on pages 345-362 of the NatWest Group plc 2020 Annual Report and Accounts, as well as the Risk Factors on pages 156-172 of the NWM 2020 Annual Report and Accounts, respectively.

Cautionary statement regarding forward-looking statements

Certain sections in this document contain 'forward-looking statements' as that term is defined in the United States Private Securities Litigation Reform Act of 1995, such as statements that include the words 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. In particular, this document includes forward-looking statements relating, but not limited to: the Covid-19 pandemic and its impact on NatWest Group; future profitability and performance, including financial performance targets (such as RoTE and ROE) and discretionary capital distribution targets; ESG and climate related targets, including in relation to sustainable financing and financed emissions; planned cost savings; implementation of NatWest Group's Purpose-led strategy, including in relation to the refocusing of its NWM franchise and the digitalisation of its operations and services; the timing and outcome of litigation and government and regulatory investigations; the implementation of the Alternative Remedies Package; balance sheet reduction, including the reduction of RWAs; capital, liquidity and leverage ratios and requirements, including CET1 Ratio, RWAs, Pillar 2 and other regulatory buffer requirements and MREL; funding plans and credit risk profile; capitalisation; portfolios; net interest margin; customer loan and income growth and market share; impairments and write-downs, including with respect to goodwill; restructuring and remediation costs and charges; NatWest Group's exposure to political risk, economic risk, climate, environmental and sustainability risk, operational risk, conduct risk, cyber and IT risk and credit rating risk and to various types of market risk, including interest rate risk, foreign exchange rate risk and commodity and equity price risk; customer experience, including our Net Promoter Score (NPS); employee engagement and gender balance in leadership positions.

Limitations inherent to forward-looking statements

These statements are based on current plans, expectations, estimates, targets and projections, and are subject to significant inherent risks, uncertainties and other factors, both external and relating to NatWest Group's strategy or operations, which may result in NatWest Group being unable to achieve the current plans, expectations, estimates, targets, projections and other anticipated outcomes expressed or implied by such forward-looking statements. In addition, certain of these disclosures are dependent on choices relying on key model characteristics and assumptions and are subject to various limitations, including assumptions and estimates made by management. By their nature, certain of these disclosures are only estimates and, as a result, actual future results, gains or losses could differ materially from those that have been estimated. Accordingly, undue reliance should not be placed on these statements. The forward-looking statements contained in this document speak only as of the date we make them and we expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein, whether to reflect any change in our expectations with regard thereto, any change in events, conditions or circumstances on which any such statement is based, or otherwise, except to the extent legally required.

Important factors that could affect the actual outcome of the forward-looking statements

We caution you that a large number of important factors could adversely affect our results or our ability to implement our strategy, cause us to fail to meet our targets, predictions, expectations and other anticipated outcomes or affect the accuracy of forward-looking statements described in this document. These factors include, but are not limited to, those set forth in the risk factors and the other uncertainties described in NatWest Group plc's Annual Report on Form 20-F and its other filings with the US Securities and Exchange Commission. The principal risks and uncertainties that could adversely NatWest Group's future results, its financial condition and prospects and cause them to be materially different from what is forecast or expected, include, but are not limited to: risks relating to the COVID-19 pandemic (including in respect of: the effects on the global economy and financial markets, and NatWest Group's customers; increased counterparty risk; NatWest Group's ability to meet its targets and strategic objectives; increased operational and control risks; increased funding risk; future impairments and write-downs); economic and political risk (including in respect of: uncertainty regarding the effects of Brexit; increased political and economic risks and uncertainty in the UK and global markets; changes in interest rates and foreign currency exchange rates; and HM Treasury's ownership of NatWest Group plc); strategic risk (including in respect of the implementation of NatWest Group's Purpose-led Strategy, including the re-focusing of the NWM franchise and NatWest Group's ability to achieve its targets); financial resilience risk (including in respect of: NatWest Group's ability to meet targets and to resume discretionary capital distributions; the competitive environment; counterparty risk; prudential regulatory requirements for capital and MREL; funding risk; changes in the credit ratings; the adequacy of NatWest Group's resolution plans; the requirements of regulatory stress tests; model risk; sensitivity to accounting policies, judgments, assumptions and estimates; changes in applicable accounting standards; the value or effectiveness of credit protection; and the application of UK statutory stabilisation or resolution powers); climate and sustainability risk (including in respect of: risks relating to climate change and the transitioning to a low carbon economy; the implementation of NatWest Group's climate change strategy and climate change resilient systems, controls and procedures; increased model risk; the failure to adapt to emerging climate, environmental and sustainability risks and opportunities; changes in ESG ratings; increasing levels of climate, environmental and sustainability related regulation and oversight; and climate, environmental and sustainability related litigation, enforcement proceedings and investigations); operational and IT resilience risk (including in respect of: operational risks (including reliance on third party suppliers); cyberattacks; the accuracy and effective use of data; complex IT systems (including those that enable remote working); attracting, retaining and developing senior management and skilled personnel; NatWest Group's risk management framework; and reputational risk); and legal, regulatory and conduct risk (including in respect of: the impact of substantial regulation and oversight; compliance with regulatory requirements; the outcome of legal, regulatory and governmental actions and investigations; the replacement of LIBOR, EURIBOR and other IBOR rates; heightened regulatory and governmental scrutiny (including by competition authorities); implementation of the Alternative Remedies Package; and changes in tax legislation or failure to generate future taxable profits).

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or a solicitation of an offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.