NatWest Group

H1 2024 Results

26 July 2024

Fixed income investors

Katie Murray
Chief Financial Officer

Our business has delivered H1’24 RoTE of 16.4%

Strong returns with attributable profit of £2.1bn, EPS 24.2p	**£7.0bn** Income ex notable items[1] vs £7.4bn in H1’23	**£4.0bn** Costs[2] vs £3.8bn in H1’23	**16.4%** Return on Tangible Equity vs 18.2% in H1’23
Strong funding and risk management 3bps Loan impairment rate	**83%** Loan to Deposit Ratio £72bn surplus deposits[3]	**151%** Liquidity Coverage Ratio £54.5bn headroom[4]	**13.6%** CET1 ratio vs 13.4% at FY’23
Continued capital generation and £1.7bn distributions[5]	**~30bps** RWA management benefit to CET1 ratio	**6p** Ordinary dividend per share +9% vs H1’23	**£1.2bn** Directed Buyback May 2024

Progress against our strategic priorities in H1'24

Disciplined growth

- **Growing our customer base** +220k[1]
- **Accretive growth in target segments**
  Loans to Commercial Mid-market customers + £1.8bn[2]
  AUMA growth of £4.3bn, +11%
  Credit cards share to 9.0%[3], +0.5%
- **Accelerated by inorganic activity**
  Sainsbury's Bank transaction
  Metro Bank mortgage portfolio[4]

Building stable income streams

Bank-wide simplification

- **Strategic hubs from 3 to 2**
  Poland exit by end 2025 announced
- **Platforms and Channels**
  Telephony systems from 20 to 5
  FX spot onboarding from 7 to 1 day
- **Scaling and embedding AI**
  Launched Generative AI enabled digital assistant Cora+
  Increased fraud prevention, reducing losses

Improving productivity and efficiency

Active balance sheet and risk management

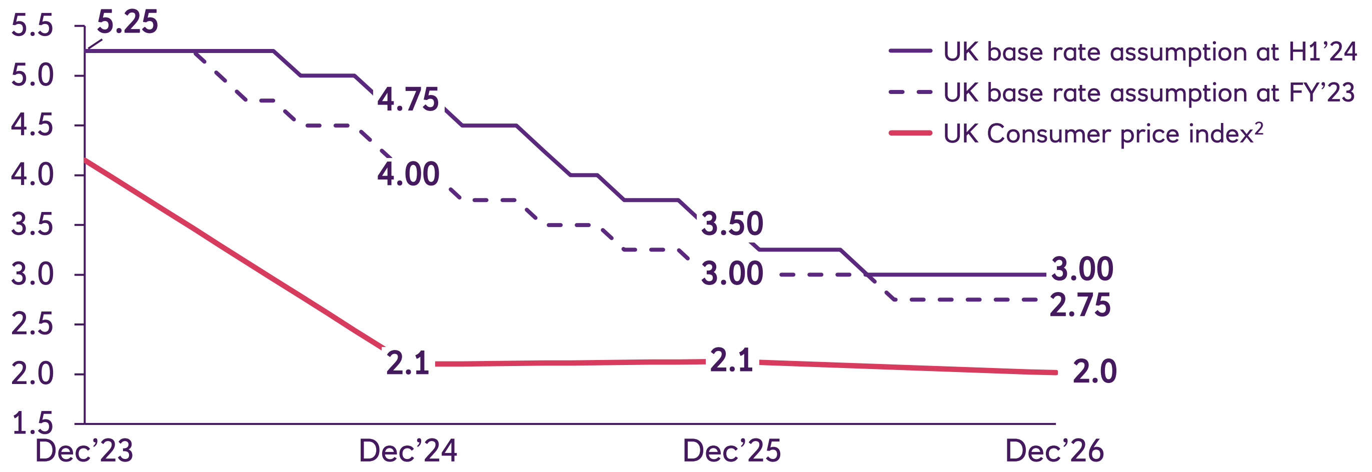
- **Active liquidity management**
  £6.1bn deposit growth with mix stabilisation
- **£4.3bn RWA Management** including Significant Risk Transfers and Credit Risk Insurance
- **£1.7bn distributions** including £1.24bn directed buyback and £0.5bn interim dividend, 6p DPS

Driving capital generation and distribution capacity

UK Macro Outlook[1]

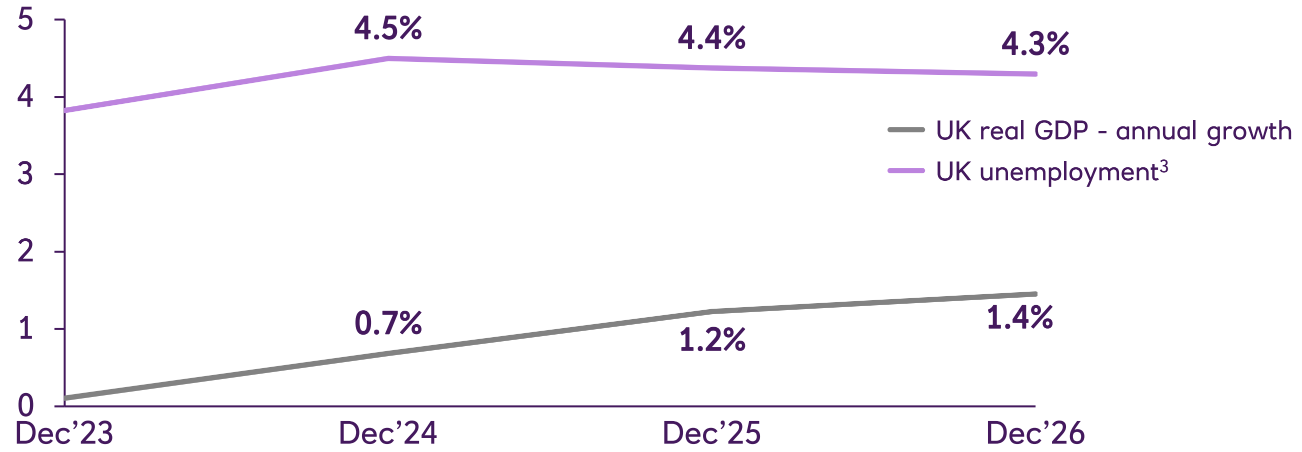
We assume UK Base Rate of 4.75% at end 2024 & 3.5% at end 2025

2024-2026 reflects NatWest Group IFRS 9 base case[1]



We continue to assume UK GDP growth and stable unemployment

2024-2026 reflects NatWest Group IFRS 9 base case[1]



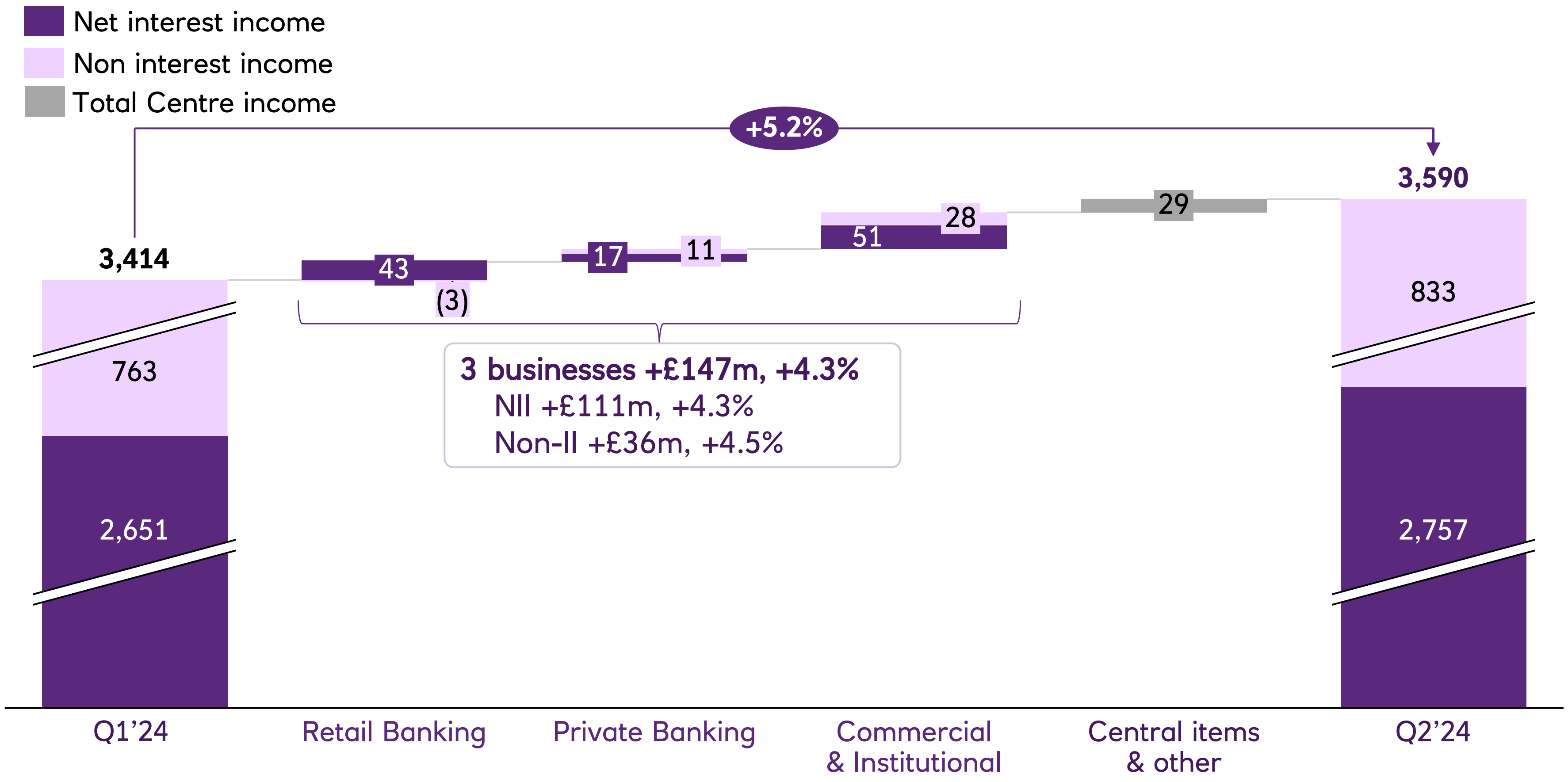
- Interest rates have remained higher for longer than anticipated; we now expect 2 Base Rate cuts in 2024 and 5 cuts in 2025 to 3.5% at end 2025
- Inflation has fallen to the Bank of England target level of 2% where we expect it will broadly remain, with other macroeconomic metrics largely unchanged
- Consumer and business confidence at 2-year high[4] driving an improved outlook for GDP growth through to 2026

Strong financial performance supported by income

Group, £m	Q2'24	Q1'24	Q2'24 vs Q1'24	H1'24	H1'23	H1'24 vs H1'23
Net interest income, ex notable items[1]	2,757	2,651	4.0%	5,408	5,726	(5.6%)
Non-interest income, ex notable items[1]	833	763	9.2%	1,596	1,657	(3.7%)
Total income, ex notable items[1]	**3,590**	**3,414**	**5.2%**	**7,004**	**7,383**	**(5.1%)**
Total income	**3,659**	**3,475**	**5.3%**	**7,134**	**7,727**	**(7.7%)**
Other operating expenses	(1,928)	(2,028)	(4.9%)	(3,956)	(3,807)	3.9%
o.w. bank levies[2]		*(87)*		*(87)*	*(4)*	
o.w. retail share offer costs[3]	*(17)*	*(8)*		*(24)*		
Litigation and conduct costs	(77)	(24)	220.8%	(101)	(108)	(6.5%)
Operating expenses	**(2,005)**	**(2,052)**	**(2.3%)**	**(4,057)**	**(3,915)**	**3.6%**
Operating profit before impairments	**1,654**	**1,423**	**16.2%**	**3,077**	**3,812**	**(19.3%)**
Impairment release/ (losses)	45	(93)	n.m.	(48)	(223)	(78.5%)
Loan impairment rate	*(5bps)*	*10bps*	*(15bps)*	*3bps*	*12bps*	*(9bps)*
Operating profit	**1,699**	**1,330**	**27.7%**	**3,029**	**3,589**	**(15.6%)**
Attributable profit	**1,181**	**918**	**28.6%**	**2,099**	**2,299**	**(8.7%)**
Return on Tangible Equity	**18.5%**	**14.2%**	**4ppts**	**16.4%**	**18.2%**	**(2)ppts**

Q2'24 Income up 5.2% to £3.6bn, strengthened FY'24 guidance

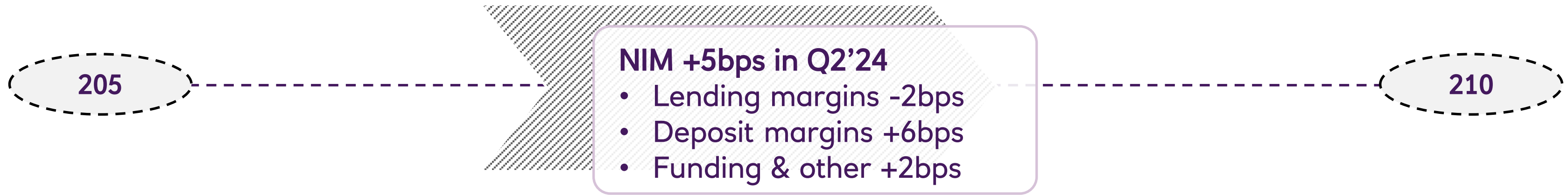
Income excl. notable items, £m



Strengthened guidance

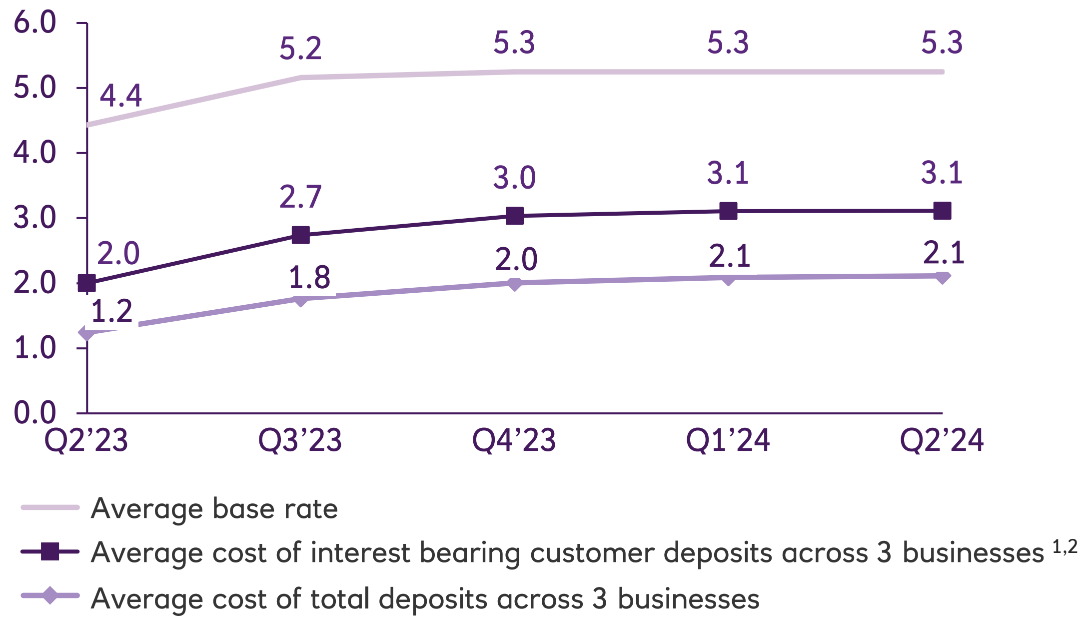
- FY'24 total income[2] of ~£14.0bn
- Assumes UK Base Rate 4.75% by end 2024

Net interest margin[1], bps



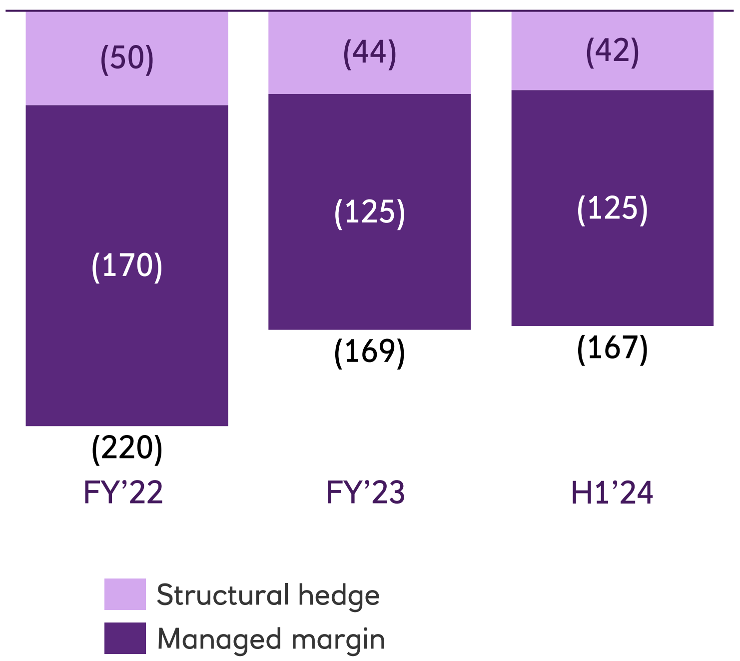
Deposit costs stabilising

Third party customer deposit rate and UK Base Rate, %



Our sensitivity to interest rates

Illustrative Year 1 Income impact of -25bps downward shift in yield curve, (£m)

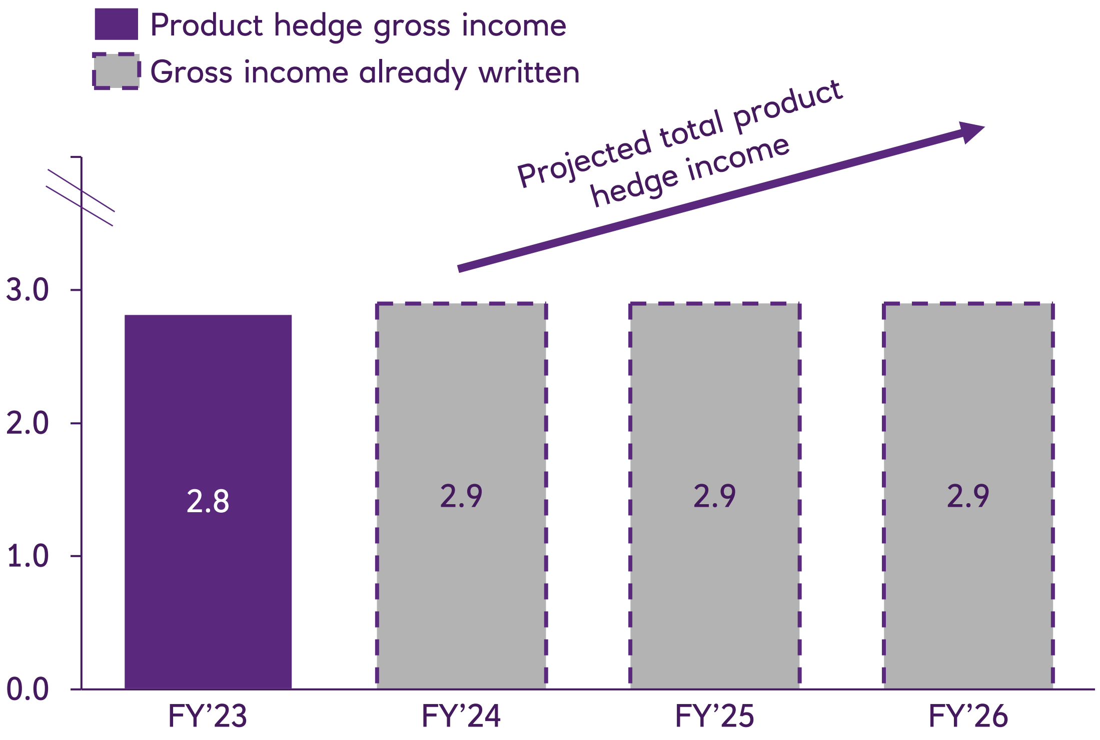


Sensitivity considerations

- **Static balance sheet** – sensitivity illustration is based on period end balance sheet.
- **Passthrough** – illustration assumes ~60% passthrough but the actual passthrough will depend on market dynamics

Structural hedging provides a multi-year income tailwind

Product structural hedge outlook, £bn



	FY'24	FY'25	FY'26
% of hedges already written*, 5	>90%	~70%	~50%
Average redemption yield[1]	~0.4%	~0.0%	~0.4%
Average reinvestment yield[2]	3.7%	3.1%	3.0%

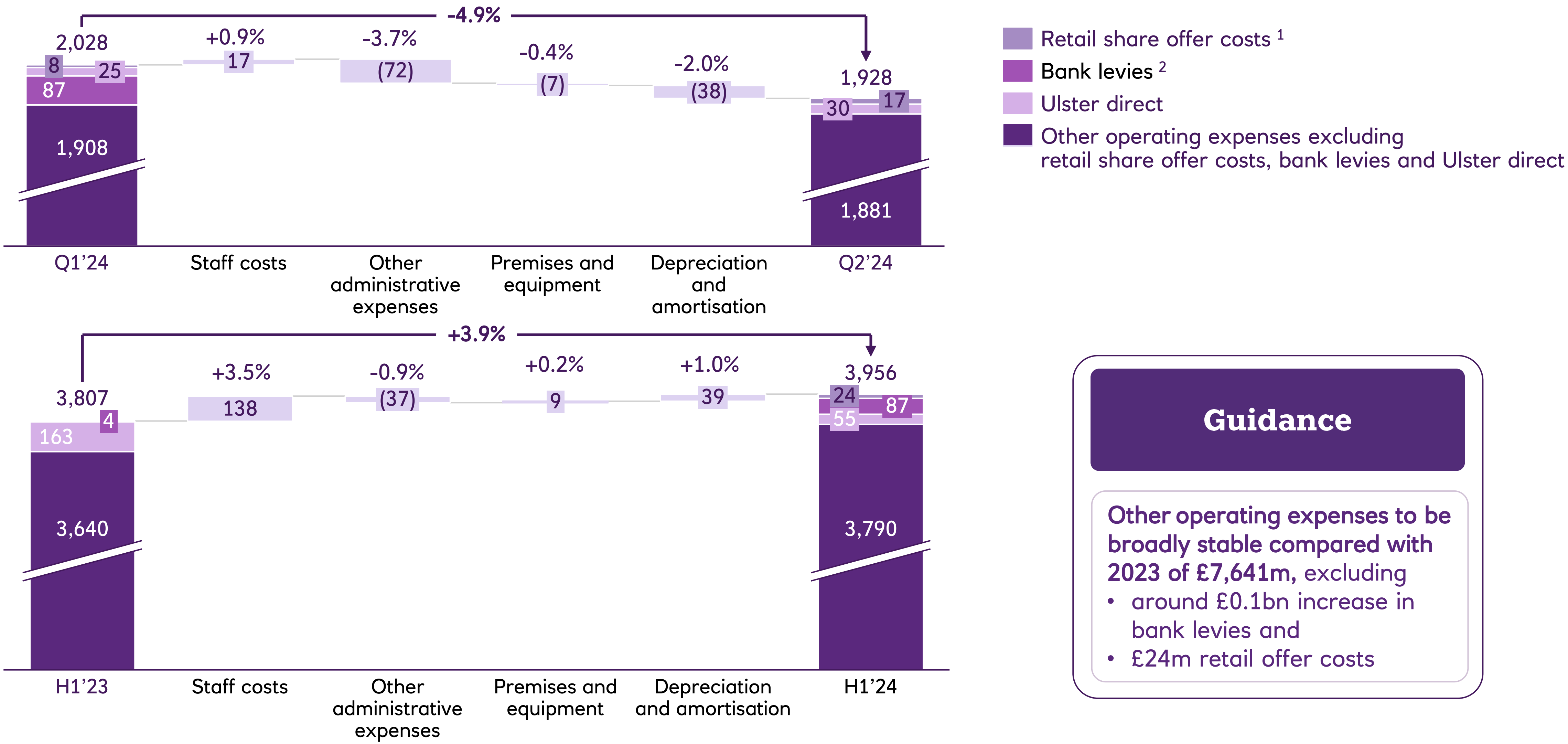
- >90% of expected 2024 product hedge income already written
- Annual maturities are one fifth of the period end balance which is equivalent to c.£35bn in FY'24.[3]
- We continue to expect the hedge notional to reduce to around £170bn by the end of 2024[4]

Structural hedge	FY'23	H1'24
Period end notional	£207bn	£197bn
Product hedge notional	*£185bn*	*£175bn*
Yield - product hedge	1.42%	1.58%

*Average duration 2.5 years with mechanistic reinvestment.

Other operating expenses on track

Other operating expenses, £m

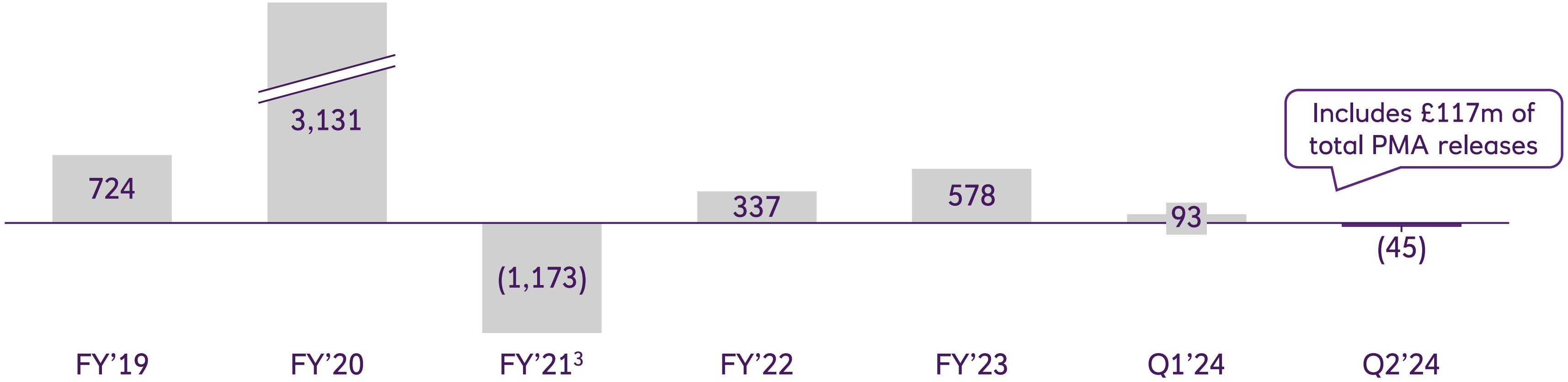


Guidance

Other operating expenses to be broadly stable compared with 2023 of £7,641m, excluding
- around £0.1bn increase in bank levies and
- £24m retail offer costs

Asset quality remains strong, 3bps impairment charge for H1’24

Loan Impairment charge / (release), £m[1]



Loan impairment rate, bps[1,2]

	FY’19	FY’20	FY’21[3]	FY’22	FY’23	Q1’24	Q2’24
Retail Banking	25	45	(2)	11	22	12	12
Commercial & Institutional	27	156	(92)	9	7	11	(28)
Private Banking	(4)	58	(29)	(1)	8	(13)	(11)
Group	**22**	**85**	**(32)**	**9**	**15**	**10**	**(5)**
Stage 3 loan impairment rate	18	17	8	6	8	14	9
Balance Sheet Post Model Adjustment for Economic uncertainty, £m	202[4]	878	584	352	429	411	302

Guidance

Loan impairment rate to be below 15bps

Delivering attractive returns to shareholders

Strengthened 2024 Guidance[1]

Total Income	Other operating expenses	Loan impairment rate	RoTE
~£14.0bn[2]	Broadly stable vs 2023[3]	Below 15 bps	>14%

Targets

2026 RoTE target of >13%

Ordinary dividend payout ratio ~40%

Capacity for buybacks

CET1 ratio in the range of 13-14%

Donal Quaid
Group Treasurer

Solid capital, MREL and leverage positions

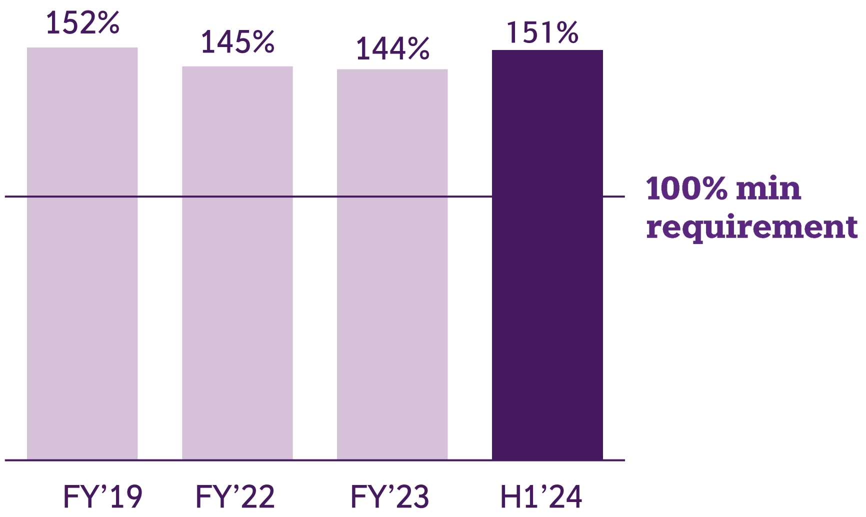
Capital and leverage					
	13.6% CET1 ratio	19.5% Total capital ratio	31.7% MREL ratio	5.2% UK leverage ratio	£180.8bn Risk weighted assets

Strong liquidity and diversified funding

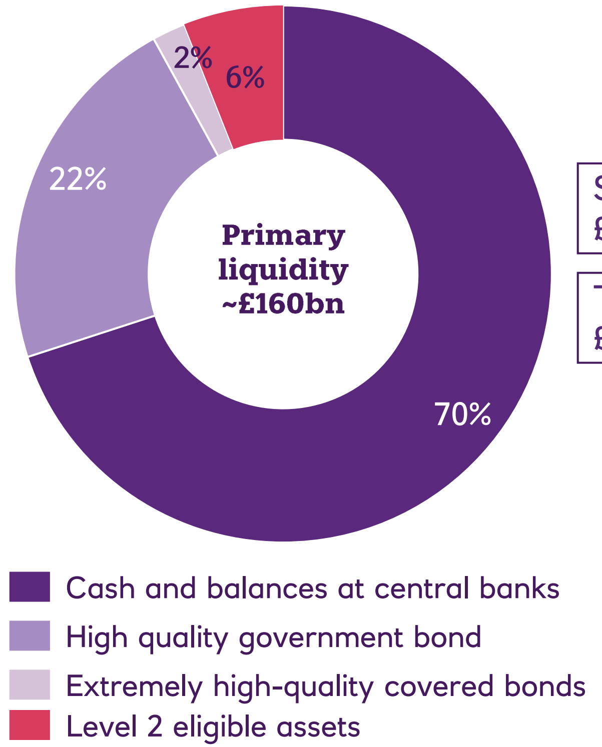
Liquidity and funding					
	151% Liquidity coverage ratio	139% Net stable funding ratio	83% Loan to deposit ratio (ex repos and reverse repos)	£425.2bn Customer deposits	£83bn Wholesale funding

Strong liquidity metrics and a high-quality portfolio

Liquidity coverage ratio (LCR) as at H1 2024
Headroom of £54.5bn



Primary liquidity portfolio composition as at H1 2024, £bn



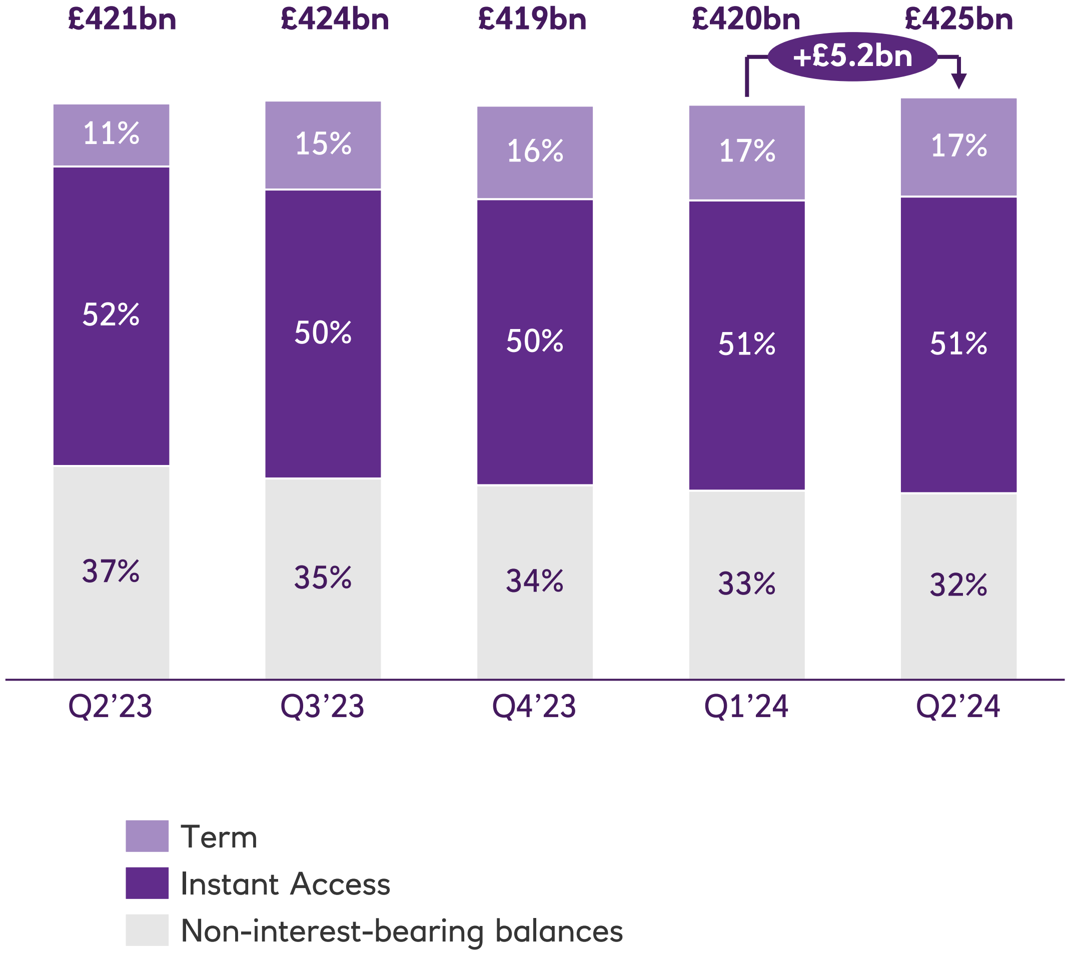
Secondary liquidity £67bn

Total liquidity value £227bn

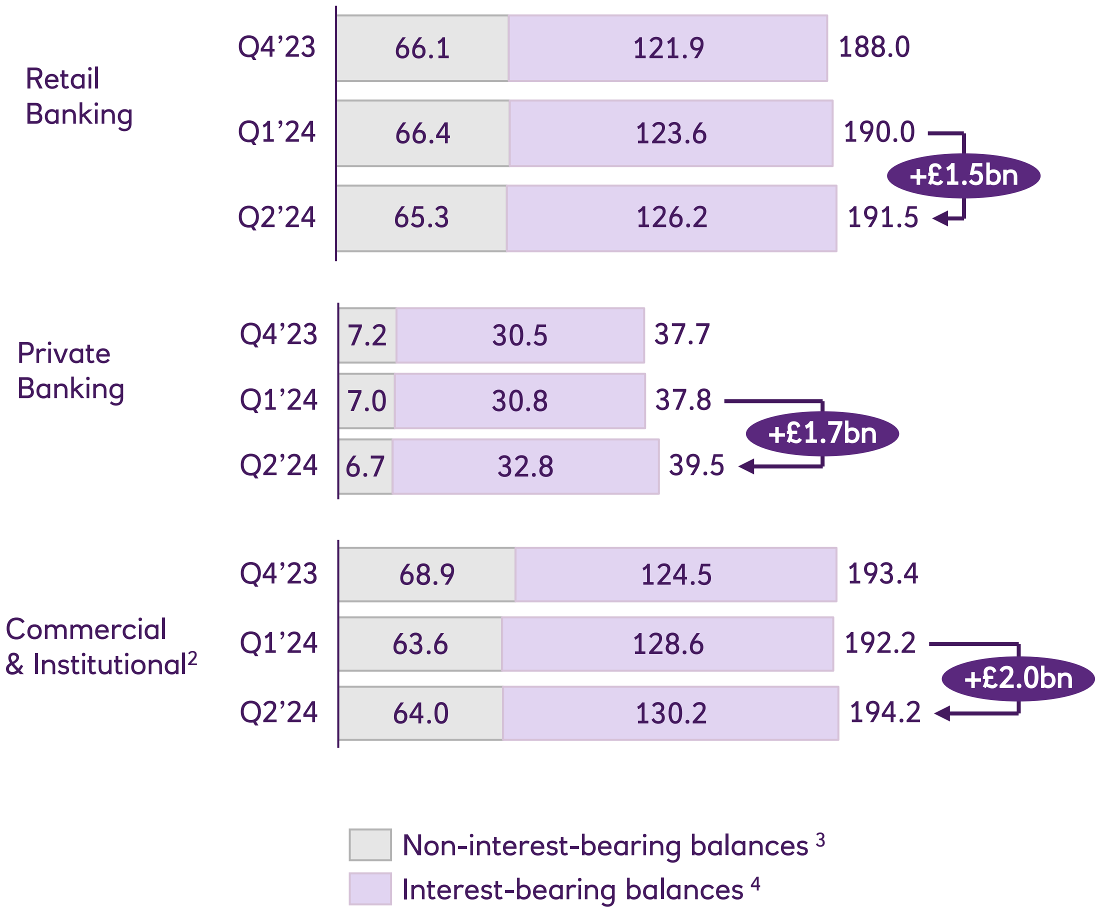
Numbers may not cast due to rounding

£5.2bn deposit growth across all businesses and migration slowing

Deposit mix by interest type across the 3 customer businesses[1] %, £bn



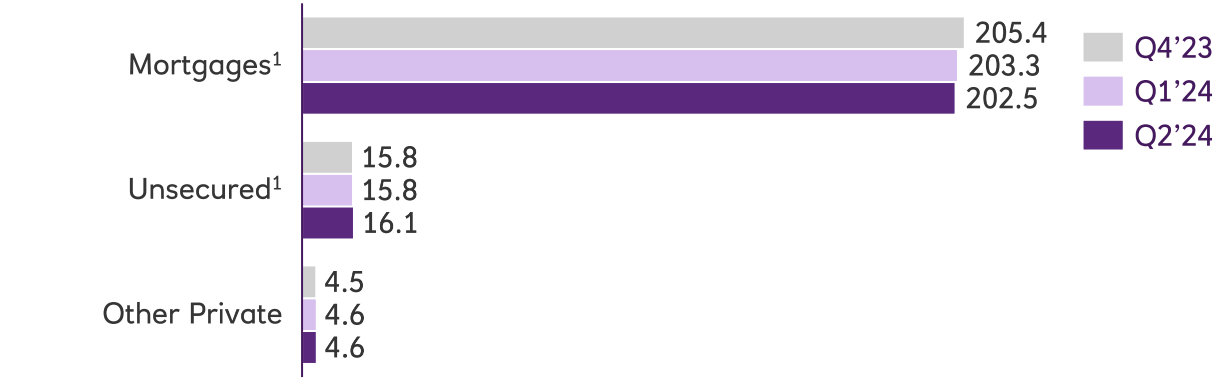
Customer deposits by type across the 3 customer businesses[1], £bn



Disciplined approach to growth in targeted areas

Gross loans to customers (amortised cost) at Q2'24, £bn

Retail Banking & Private Banking £223.2bn, -£0.5bn in Q2'24, -£2.5bn in H1'24

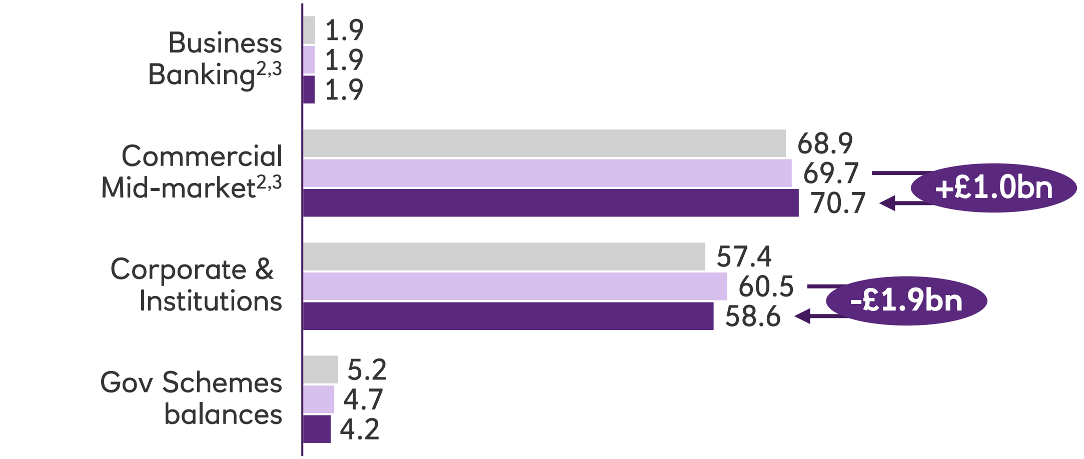


Mortgages: Gross New Lending +20% in Q2 vs Q1, more than offset by redemptions
12.4% stock share as at May'24[4]

Credit Cards: +£0.4bn in Q2'24, 9.0% stock share[5]

Adding scale through inorganic activity:
- **Sainsbury's Bank transaction +£2.5bn** unsecured, +10.6% proforma credit cards stock share[6]
- **Metro Bank** +£2.5bn prime mortgage portfolio[7]

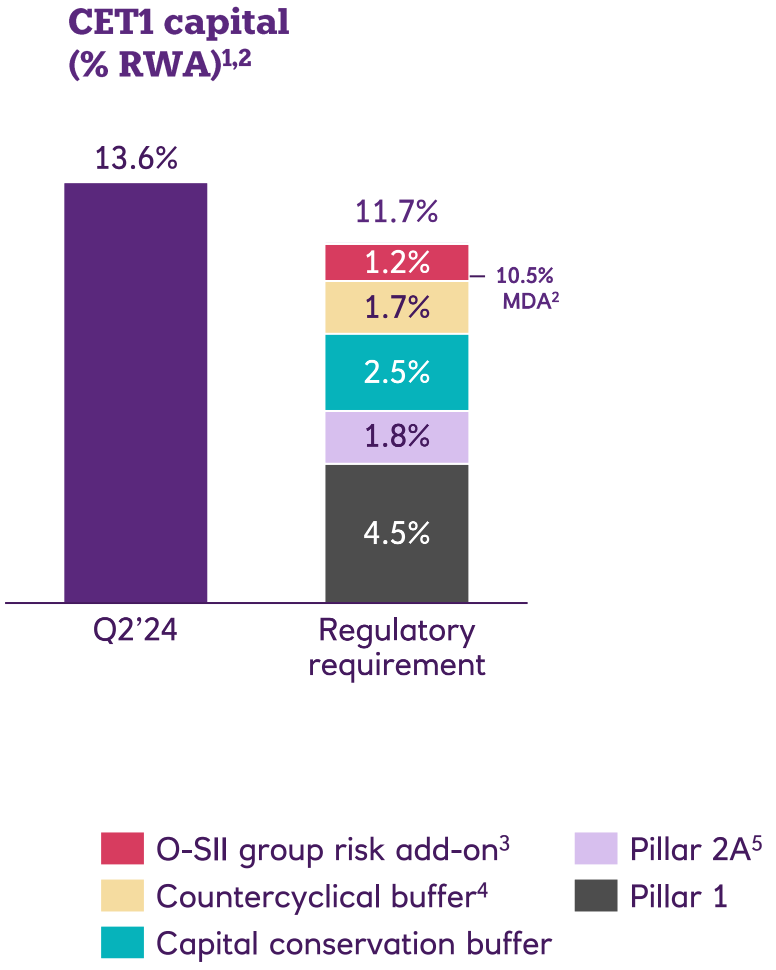
Commercial and Institutional £135.4bn, -£1.4bn in Q2'24, +£2.0bn in H1'24

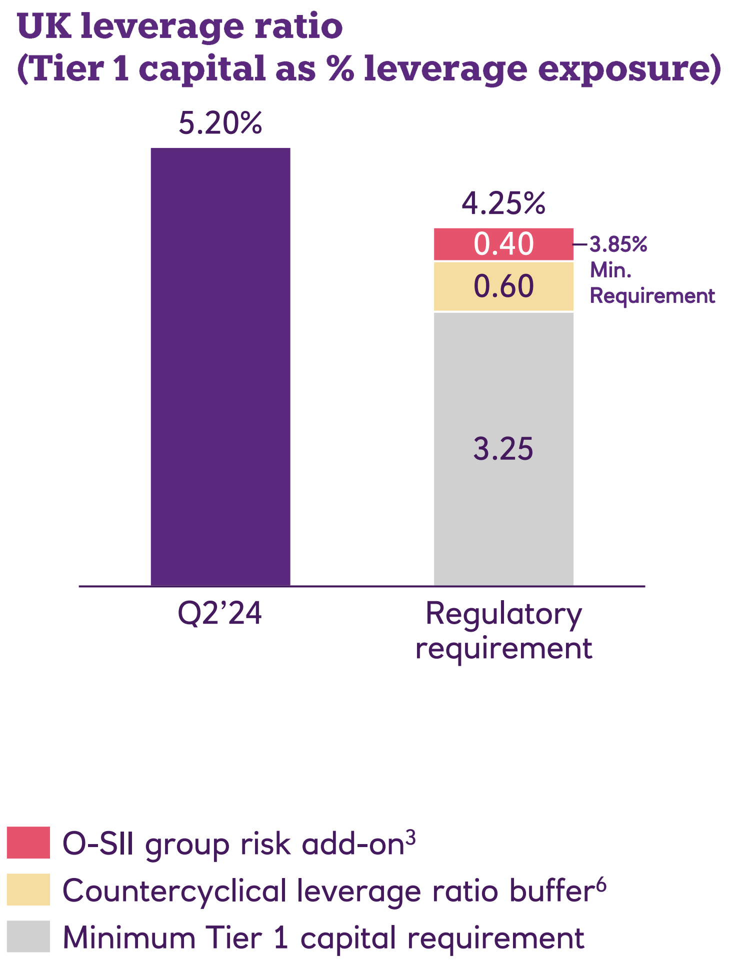


Commercial Mid-market: Growth supported by increased Social Housing, Asset Financing and Invoice Finance

Corporate and Institutions: Balances declined as customers took advantage of stronger capital markets

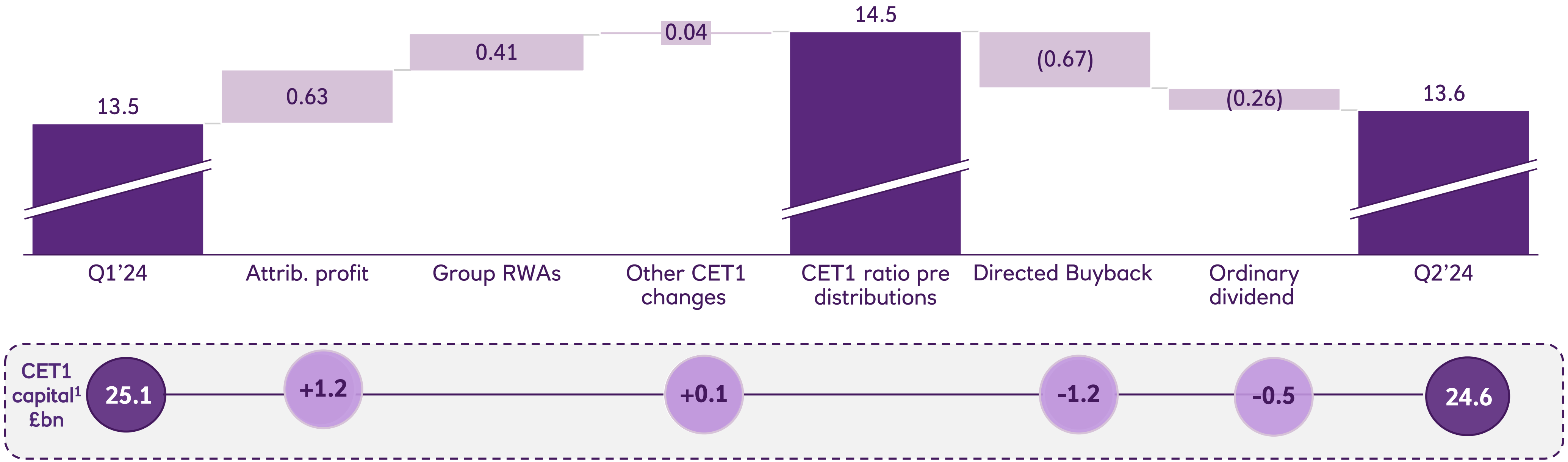
Strong capital and leverage positions provide confidence and flexibility





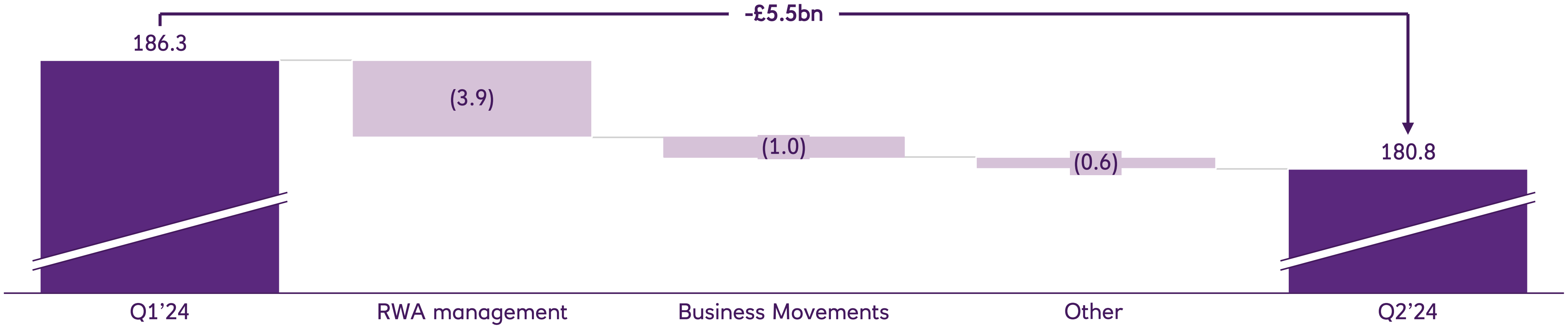
CET1 13.6% post Directed Buyback

Common Equity Tier 1 (CET1) ratio, %



Target CET1 ratio in 13-14% range

Risk-weighted assets (RWAs), £bn

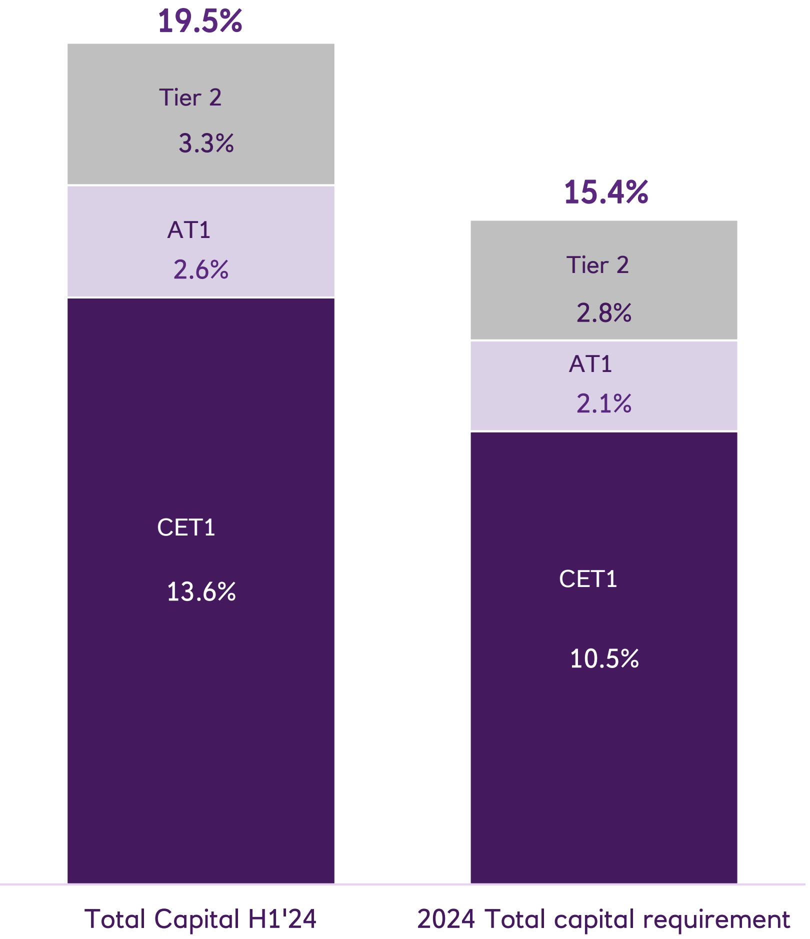


RWA ~£200bn by end 2025[2]

Total Capital and MREL above requirements[1]

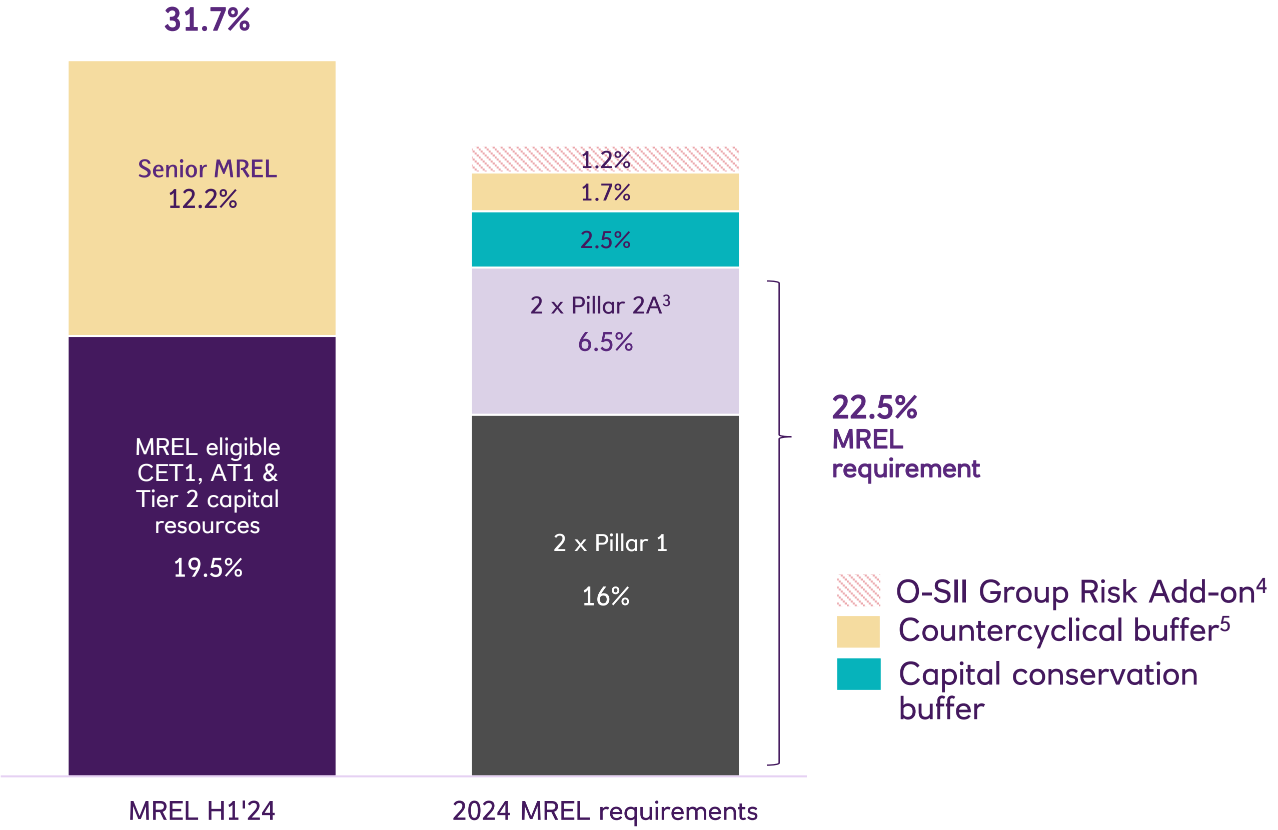
Total Capital (%RWA)

£bn as at 30th June 2024



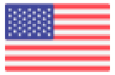
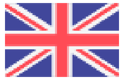
Minimum requirements of own funds and eligible liabilities (MREL)[1,2] (%RWA)

£bn as at 30th June 2024



Good progress against 2024 wholesale funding plan[1]

Across multiple currencies and tenors

		2024 guidance	H1 2024 issuance[2]			
Holding company						
NatWest Group plc	Senior unsecured (MREL)	**£4bn to £5bn**	**~£2.2bn**	• $1.0bn 4NC3 FXD • $0.3bn 4NC3 FRN • $1.5bn 11NC10 FXD	-	-
	Tier 2 capital	**£1bn to £2bn**	**~£800m**	• $1.0bn 10.25NC5.25	-	-
	Additional Tier 1	**Up to £1bn**	**~£800m**	• $1.0bn PerpNC10	-	-
Operating companies						
NatWest Markets Plc	Senior unsecured (non-MREL)	**£3bn to £5bn**	**~£4.3bn**	• $0.85bn 3y FXD • $0.5bn 3y FRN • $1.0bn 5y FXD • $0.4bn 5y FRN	• €1.75bn 2y FRN • €0.75bn 5y FXD	-
NatWest Bank Plc	Senior secured (Covered bond)	**Up to £1bn**	**£750m**	-	-	• £0.75bn 5y FRN

Q&A

Appendix

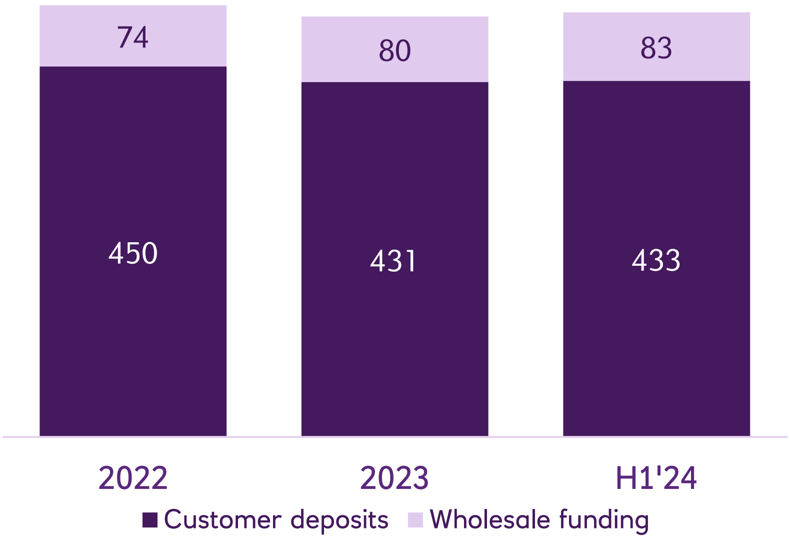
Credit ratings

	Moody's	S&P	Fitch
Group holding company			
NatWest Group plc	A3/Sta	BBB+/Sta	A/Sta
Ring-fenced bank operating companies			
NatWest Bank Plc	A1/Sta[1]	A+/Sta	A+/Sta
Royal Bank of Scotland plc	A1/Sta[1]	A+/Sta	A+/Sta
NatWest Bank Europe GMBH	NR	A+/Sta	A+/Sta
Non ring-fenced bank operating companies			
NatWest Markets Plc	A1/Sta	A/Sta	A+/Sta
NatWest Markets N.V.	A1/Sta	A/Sta	A+/Sta
NatWest Markets Securities Inc	NR	A/Sta	A/Sta
RBSI Ltd	A1/Sta[2]	A/Sta	A/Sta

Stable and diversified funding sources

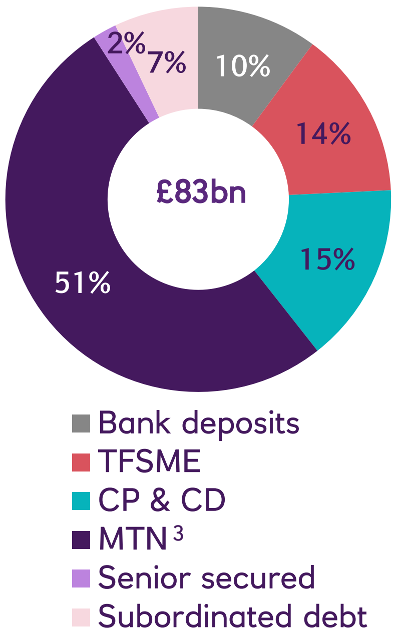
Funding composition, £bn[1,2]

Customer deposits provide ~84% of funding supply

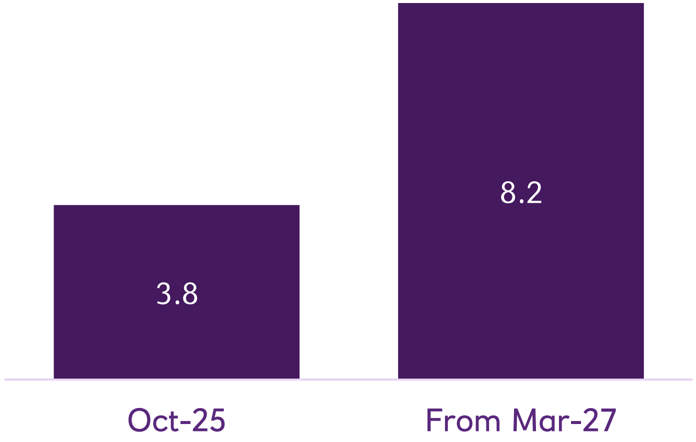


Wholesale funding mix[1]

Access to diverse wholesale funding products



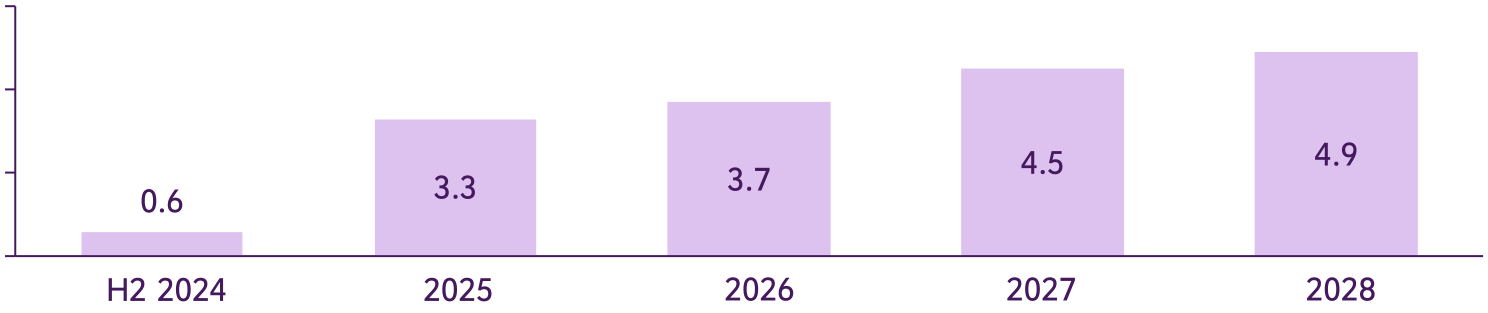
TFSME Maturity Profile, £bn



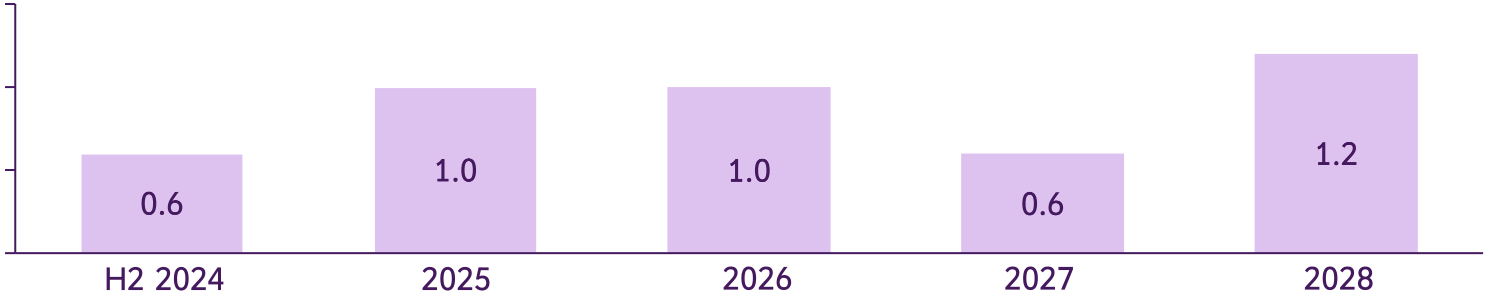
NWG plc capital and senior MREL maturity profile

Refinancing driven by funding requirements

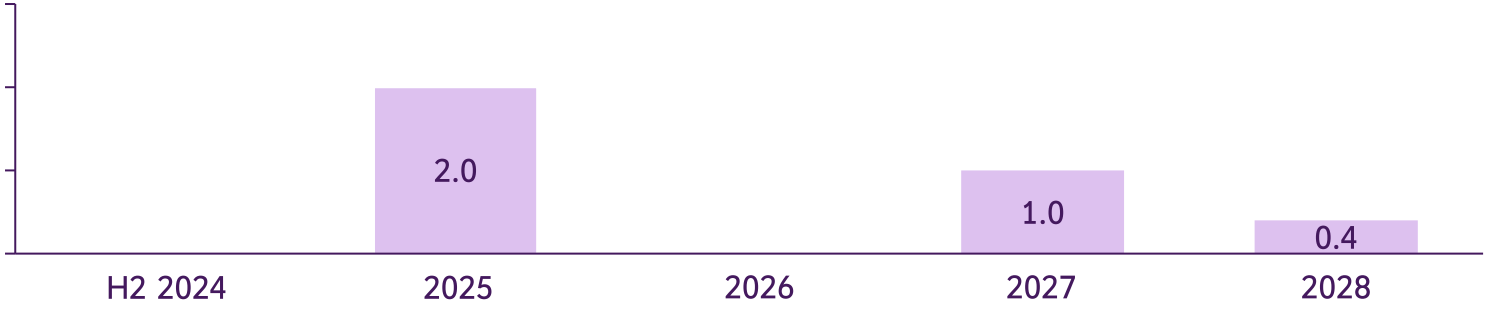
Senior debt roll-off profile, first call date, £bn[1]



Tier 2 roll-off profile, first call date, £bn[1]

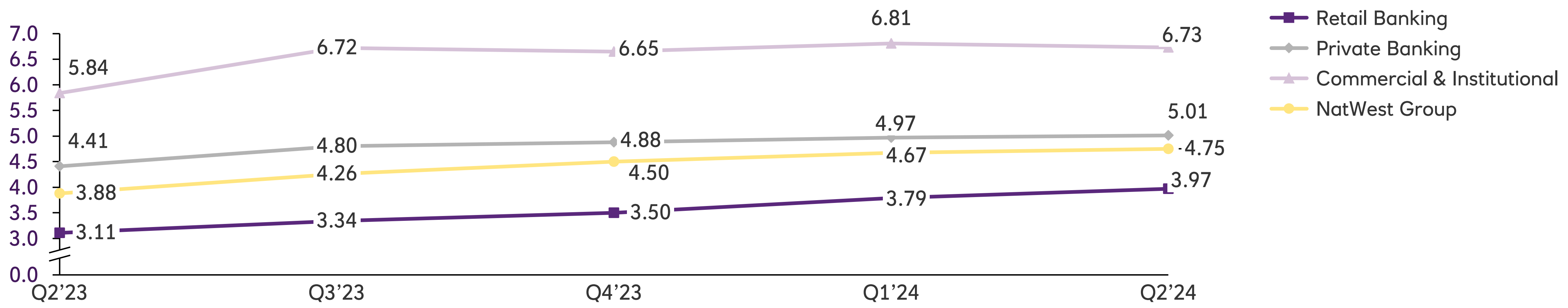


AT1 roll-off profile, first call date, £bn[1]

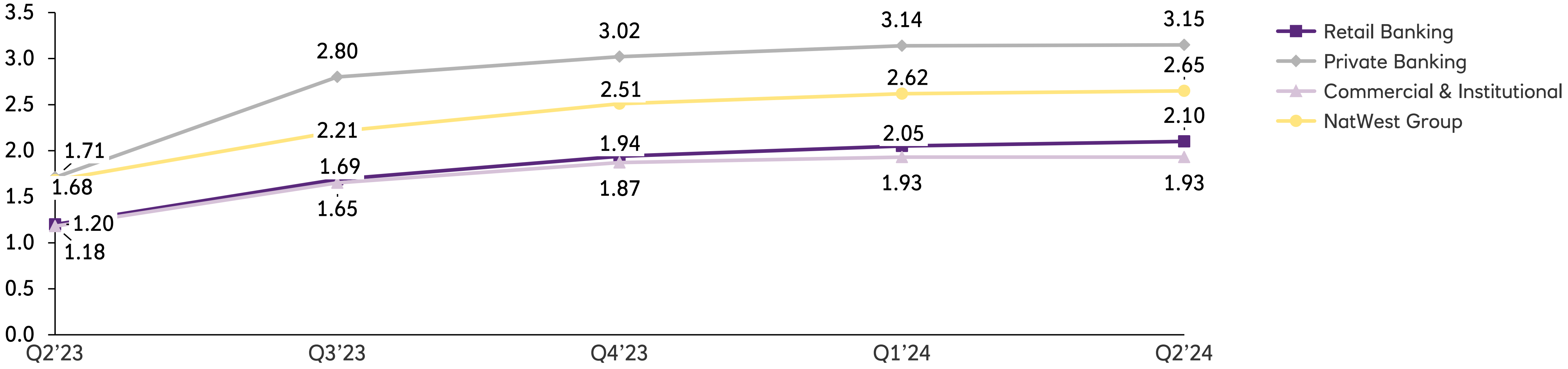


Higher interest rates are feeding through to customer lending and deposit rates

Gross yields of interest earning banking assets, %[1]



Cost of interest-bearing and non-interest-bearing banking liabilities, %[2]



Structural Hedge[1]

	H1 2024			
	Total income (£m)	Period end notional (£bn)	Average notional (£bn)	Total yield %
Equity	218	22	22	1.95
Product	1,392	175	176	1.58
Total	1,610	197	198	1.62

	FY 2023			
	Total income (£m)	Period end notional (£bn)	Average notional (£bn)	Total yield %
Equity	418	22	22	1.87
Product	2,822	185	199	1.42
Total	3,240	207	221	1.47

	H1 2023			
	Total income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	204	23	22	1.83
Product	1,362	202	205	1.33
Total	1,566	225	227	1.38

Interest rate sensitivity[1]

Assumes constant balance sheet as at 30 June 2024

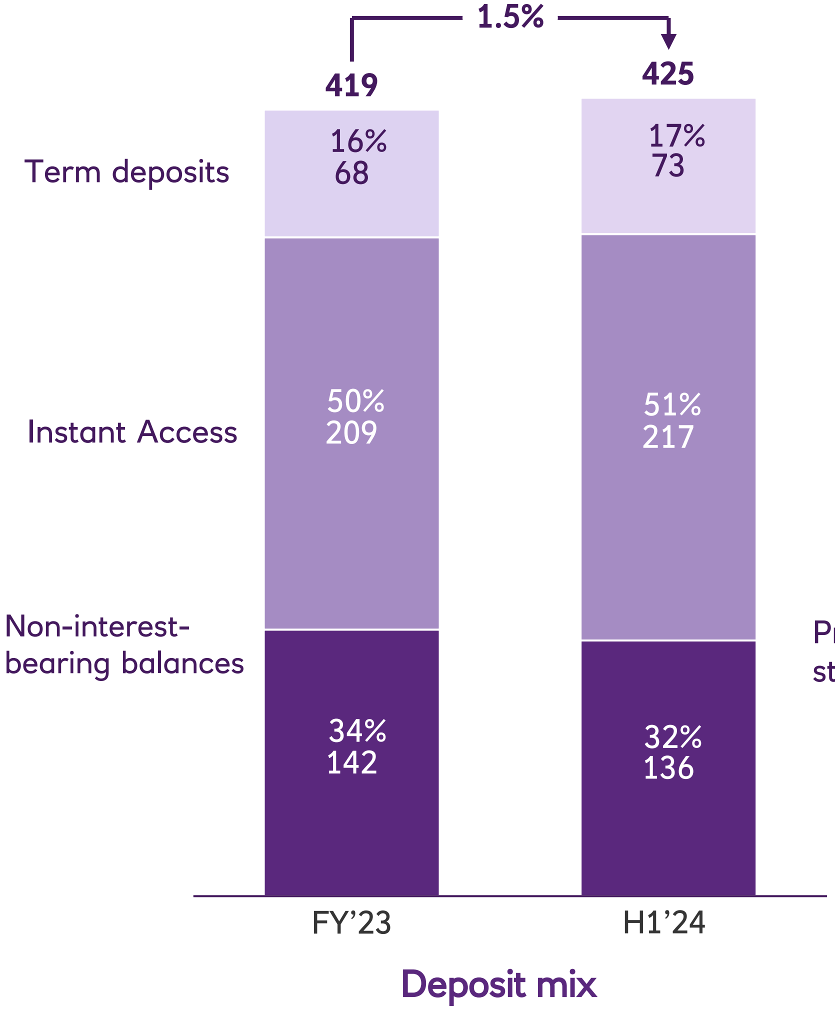
H1 2024	+25 basis points parallel upward shift			-25 basis points parallel downward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	42	129	216	(42)	(129)	(216)
Managed Margin	93	97	110	(125)	(107)	(110)
Total	135	226	326	(167)	(236)	(326)

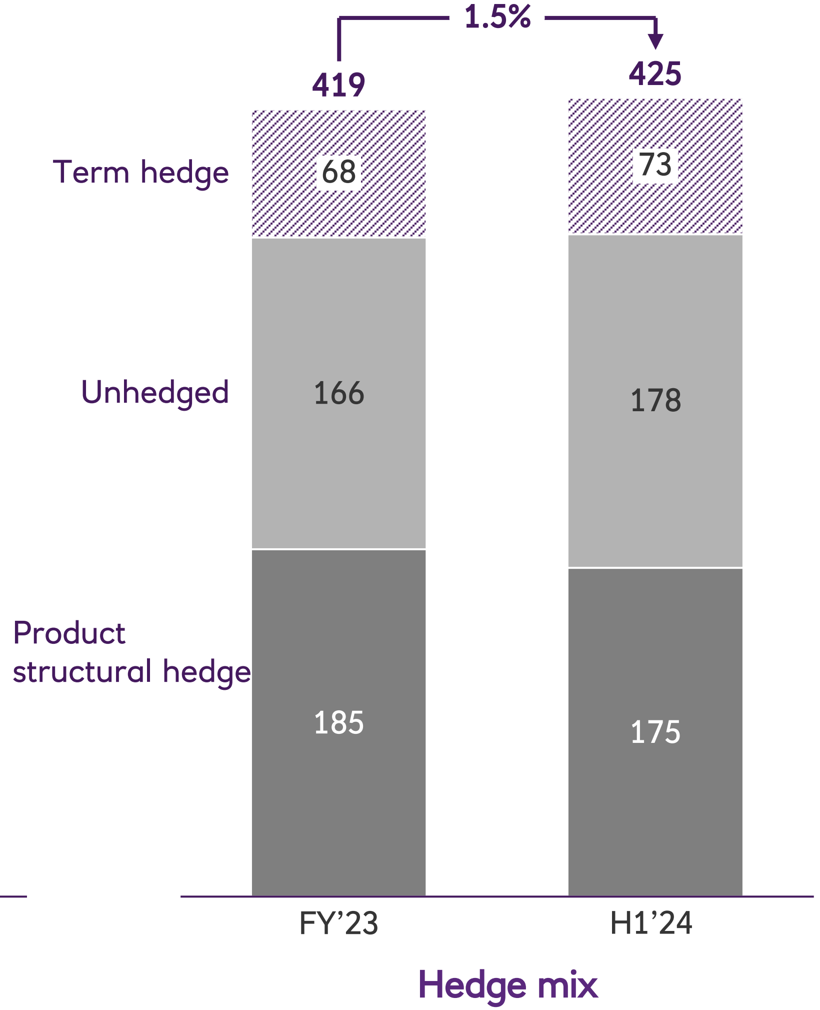
FY 2023	+25 basis points parallel upward shift			-25 basis points parallel downward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	44	138	227	(44)	(138)	(227)
Managed Margin	120	117	114	(125)	(121)	(105)
Total	164	255	341	(169)	(259)	(332)

H1 2023	+25 basis points parallel upward shift			-25 basis points parallel downward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	49	151	249	(49)	(151)	(248)
Managed Margin	86	76	157	(121)	(75)	(168)
Total	135	227	406	(170)	(226)	(416)

Deposit income drivers

Deposit mix by interest and hedge type[1], £bn





2024 deposit income drivers year-on-year

Subject to customer and market dynamics

Term Deposit Income: moderate increase

- **Volume:** increasing at a more moderate rate
- **Margin:** broadly stable

Unhedged Deposit Income: some reduction

- **Volume:** subject to mix
- **Margin:** decreasing post base rate cuts

Product Hedge Income: moderate increase

- **Volume:** reducing due to lower eligible balances
- **Margin:** increasing due to higher reinvestment rate

UK Economic Assumptions[1]

Our economic assumptions and weightings are updated in H1'24

	H1'24					Q1'24 and FY'23					H1'23				
Scenario	Upside	Base Case	Downside	Extreme downside		Upside	Base Case	Downside	Extreme downside		Upside	Base Case	Downside	Extreme downside	
Weighting	22%	45%	19%	14%	Weighted average	21%	45%	20%	13%	Weighted average	19%	45%	21%	16%	Weighted average
UK GDP – Annual Growth (%)															
2024	1.7	0.7	0.1	(0.0)	0.7	3.6	0.4	(1.1)	(2.7)	0.3	3.8	0.8	(1.4)	(4.1)	0.3
2025	3.9	1.2	(0.9)	(4.0)	0.7	2.3	1.3	0.4	(1.6)	1.0	1.4	1.0	1.0	0.9	1.1
5 year - CAGR[2]	1.9	1.2	0.6	(0.2)	1.1	1.8	1.0	0.5	(0.3)	0.9	1.8	0.9	0.4	(0.2)	0.8
UK Unemployment rate – annual average (%)															
2024	4.2	4.4	4.6	4.8	4.4	3.9	4.7	5.2	6.2	4.8	3.3	4.2	5.1	7.3	4.7
2025	3.4	4.4	5.7	7.8	4.9	3.2	4.7	5.8	8.4	5.1	3.3	4.4	5.3	7.7	4.8
5 year average[2]	3.5	4.3	5.4	7.1	4.7	3.5	4.6	5.2	6.8	4.8	3.5	4.2	4.9	6.6	4.6
UK House Price Index – four quarter growth (%)															
2024	6.8	3.1	(1.2)	(3.3)	2.2	7.2	(5.0)	(7.1)	(11.5)	(3.7)	10.4	(1.0)	(13.2)	(14.1)	(3.1)
2025	8.9	3.1	(6.0)	(13.2)	0.6	9.4	3.1	(3.1)	(14.2)	1.2	6.1	2.9	0.9	(16.4)	0.9
5 year - CAGR[2]	5.3	3.3	1.0	(4.2)	2.5	3.9	0.3	(0.4)	(5.7)	0.3	3.8	0.3	(0.8)	(6.0)	0.0
UK Commercial Real Estate Price – four quarter growth (%)															
2024	6.2	(1.3)	(4.2)	(7.7)	(1.1)	12.7	0.0	(7.3)	(18.4)	(1.2)	5.5	0.5	(13.4)	(35.3)	(6.1)
2025	5.5	1.7	(8.0)	(30.8)	(3.4)	3.5	2.7	(2.0)	(20.0)	(0.5)	4.6	2.5	2.5	2.5	3.0
5 year - CAGR[2]	4.4	1.2	(0.7)	(5.1)	0.8	3.1	(0.2)	(2.0)	(6.8)	(0.6)	3.3	0.2	(2.7)	(7.6)	(0.7)
Consumer price index - four quarter growth (%)															
2024	1.4	2.1	5.7	0.1	2.4	0.9	2.5	8.5	(1.2)	2.9	1.1	2.3	4.3	6.8	3.2
2025	0.5	2.1	6.7	0.5	2.5	0.7	2.0	5.3	1.7	2.4	1.8	1.9	3.9	1.7	2.3
5 year - CAGR[2]	1.1	2.1	4.8	1.3	2.3	1.7	2.6	5.2	1.8	2.8	1.7	2.3	4.2	3.7	2.8

Well diversified, high-quality loan book

Arrears levels remain stable and low

Personal: £221.4bn, 57% of group	Wholesale: £167.5bn, 43% of group

Group mortgages £205.5bn

Loan-to-value of 57%[1] stable year-on-year

64% 5Y, 26% 2Y, 1% 10Y, 6% Tracker[2], 3% SVR

£17bn or 9% of fixed book expires in 2024[3]

Arrears levels remain low and below 2019 levels

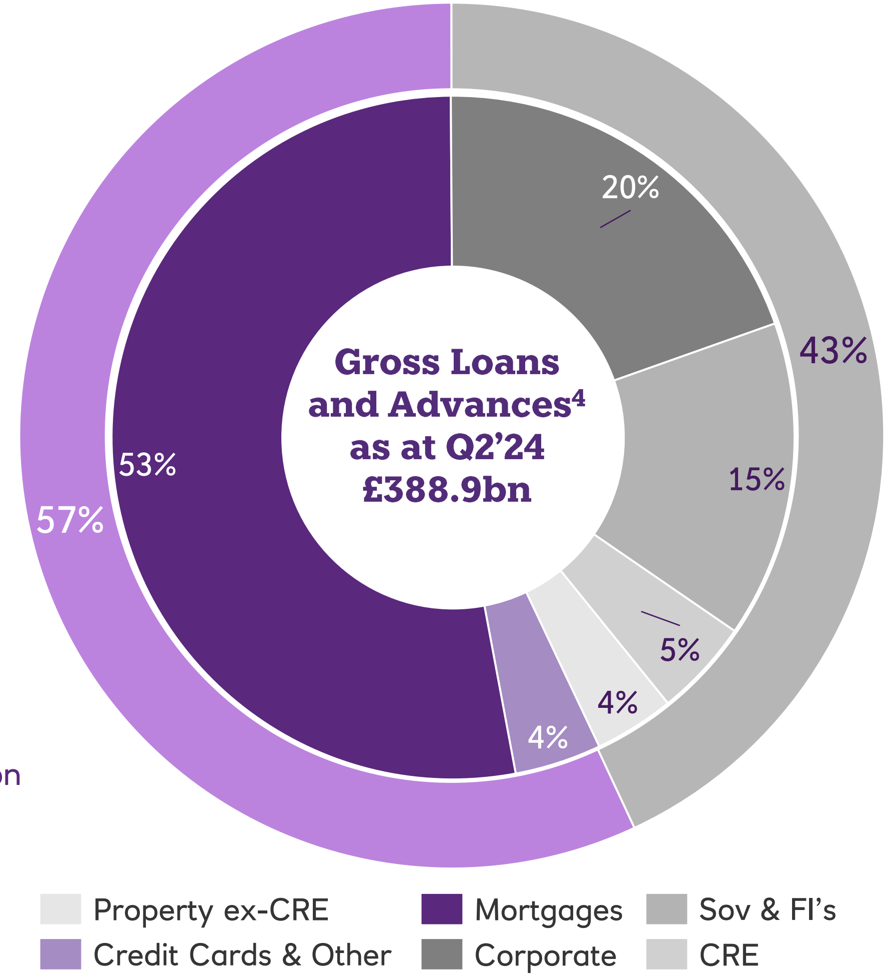
Credit cards and other unsecured £16.0bn

4% of Group Loans

Portfolio default rates remain low

New to book arrears remain stable and low

Debt sale activity reduced stage 3 loans by £0.2bn to £1bn in Q2'24



Corporate £76.6bn

Diverse corporate loan book, with exposure across a broad range of sectors

Default levels remain below historic trends

Commercial Real Estate (CRE), £17.9bn

5% of Group lending

Loan-to-value of 48%[1]

Exposure to the Retail and Office sector is geographically diversified across all regions of the UK and remains closely managed

Credit quality remained stable with very limited instances of specific cases deteriorating

Commercial real estate (CRE)

CRE LTV distribution

30-Jun-24	Gross Loans Total (£m)
≤50%	8,219
>50% and ≤70%	4,308
>70% and ≤100%	451
>100%	273
Total with LTVs	13,251
Total portfolio average LTV	48%
Other(1)	2,539
Investment	15,790
Development(2)	2,076
Total	17,866

31-Dec-23	Gross Loans Total (£m)
≤50%	7,898
>50% and ≤70%	3,878
>70% and ≤100%	515
>100%	273
Total with LTVs	12,564
Total portfolio average LTV	48%
Other(1)	2,624
Investment	15,188
Development(2)	1,913
Total	17,101

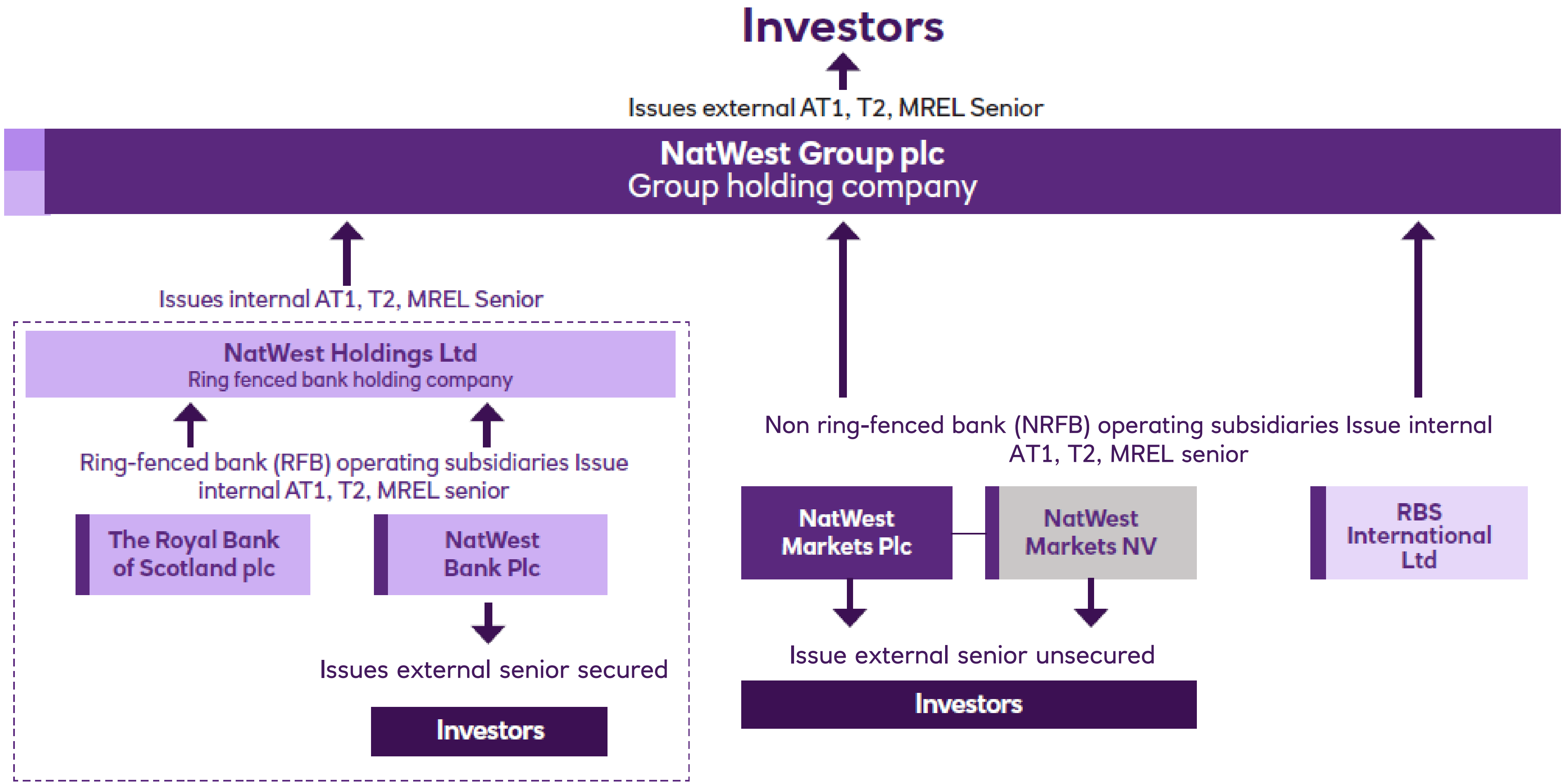
Issuing entity structure

External issuance of AT1, Tier 2 and MREL is only from NatWest Group plc, the group holding company.

Subsidiary operating companies will only issue internal AT1, Tier 2 and MREL.

NatWest Bank Plc issues senior secured securities externally.

Natwest Markets Plc issues senior unsecured securities externally.



Significant improvement on key metrics from GFC low points

	Worst point[1]	Q2 2024
Capital & liquidity		
CET1 ratio[2]	4.0%	13.6%
RWA	£578bn	£180.8bn
o/w Markets RWA	£279bn	£20.5bn
Wholesale funding	£492bn	£83bn[4]
Short-term wholesale funding (<12mths)	£297bn	£27bn
Deposits as % of total funding	48%	83%
Liquidity portfolio	£90bn	£227bn
NSFR[3]	79%	139%
Leverage ratio	28.7x	5.2%
Balance sheet		
Funded assets	£1,563bn	£623bn
Customer deposits	£460bn	£433bn
Loan: deposit ratio	154%	83%
Commercial real estate exposure	£110bn	£17.9bn

Key observations, then and now….

- Markets RWA nearly 50% **of total group RWA** v 11% today
- **High reliance on short term funding**; peaked at 60% of total wholesale funding and 27% of funded assets.
- **Liquidity portfolio now 2.5x larger** than low point.
- **Customer deposits were a much lower component** of group funding, comprising 48% of total funding at the worst point, now 83%
- **CRE portfolio reduced by over £90bn (80%)**, was 7% of funded assets, now 3%.

Footnotes

Slide 3: 1. Excludes notable items. 2. Costs excluding litigation and conduct. 3. The loan:deposit ratio (LDR) (excl. repos and reverse repos) was 83% at Q2 2024, with customer deposits exceeding net loans to customers by around £72 billion. 4. £54.5bn headroom above the regulatory minimum. 5. £1.7bn includes £1.2bn Directed Buyback executed in May'24 and £0.5bn interim dividend announced at H1'24.

Slide 4: 1. Net new Customers added across NatWest Group between FY'23 and H1'24. 2. Gross loans in Commercial Mid-market excluding government schemes. 3. Stock share of Retail Banking and Private Banking credit cards management estimate calculated as a percentage of total sterling net credit card lending to individuals (in sterling millions) not seasonally adjusted as per Dec'23 and May'24 BoE data. 4. Completion of the transaction is conditional on a satisfactory response from the Competition & Markets Authority.

Slide 5: 1. 2024-2026 forecasts per NatWest Group IFRS 9 base case– see H1 IMS p.18-21. 2. Four quarter change. 3. Based on period end rate. 4. The Consumer Confidence indicator in the UK and ICAEW Business confidence review.

Slide 6: 1. Excludes notable items. 2. HMRC bank levy and Bank of England levy. 3. Will not cast to £24m due to rounding.

Slide 7: 1. Net Interest Margin (NIM) = Reported Group Net Interest Income / Group Average Interest Earning Assets. 2. Total Income ex notable items.

Slide 8: 1. Interest-bearing balances Retail Banking and Private Banking are savings. 2. Q1'23 and Q4'23 numbers restated to reflect updated methodology.

Slide 9: 1. Average redemption yield reflects the average yield on maturities in the year. These are dynamic given changes in notional balances and the use of shorter duration swaps to maintain duration. 2. Average 5-year swap rate forecasts across 2024-2026 per NatWest Group IFRS 9 base case. 3. Reinvestment volume will be influenced by the mix and flows of customer deposits. 4. Assuming no change to deposit balances or mix versus H1 2024. 5. Prior to H1'24 results call this label was "% of income already written".

Slide 10: 1. Will not cast to £24m due to rounding. 2. HMRC bank levy and Bank of England levy.

Slide 11: 1. Numbers presented on this chart is based on Group including Ulster continuing operations. 2. Loan impairment rate is the annualised loan impairment charge divided by gross customer loans. Quarterly impairment rates are annualised. 3. FY'21 numbers have been sourced from FY'22 Financial Supplement document. 4. 2019 Economic uncertainty PMA per pg 170 of FY'20 ARA, note that this was reported on the same basis as FY'20. 4. Q1'14 and Q2'24 stage 3 impairment charge annualised for quarterly calculations. Full year numbers based on the full year stage 3 charge.

Slide 12: 1. The guidance, targets, expectations and trends discussed in this presentation represent NatWest Group management's current expectations and are subject to change, including as a result of the factors described in the "Risk Factors" in the NWG's 2023 Annual Report and Accounts and Form 20-F, the "Risk Factors" in NWM 2023 Annual Report, and the Summary Risk Factors in the NWG H1 2024 IMS and the NWM Plc H1 2024 IMS. These statements constitute forward-looking statements. 2. Total Income ex notable items. 3. Broadly stable vs 2023 ex +£0.1bn levies and ~£24m Retail Offer costs.

Slide 16: 1. May not cast due to rounding. 2. The Non-interest-bearing and Interest-bearing split for Commercial & Institutional is implied from the Total for the three businesses and the disclosures for Retail Banking and Private Banking. 3. Non-Interest-bearing balances for Retail Banking and Private Banking are current accounts. 4. Interest-bearing balances Retail Banking and Private Banking are savings.

Slide 17: 1. Across Retail and Private Banking 2. All sub-segments in Commercial & Institutional are ex government schemes 3. Totals may not cast due to rounding. 4. Stock share of Retail Banking and Private Banking mortgages, calculated as a percentage of monthly amounts outstanding of total sterling net secured lending to individuals (in sterling millions) not seasonally adjusted as per Dec'23 and May'24 BoE data. 5. Stock share of Retail Banking and Private Banking credit cards management estimate calculated as a percentage of total sterling net credit card lending to individuals (in sterling millions) not seasonally adjusted as per May'24 BoE data. 6. Forecast balance sheet and account values disclosed are at completion which is assumed to be 31 March 2025. Under the terms of the transaction, the gross customer assets and liabilities and associated cash at completion will transfer to NatWest Group and an agreed £125M consideration will be payable from Sainsbury's Bank to NatWest Group. The forecast utilises values which are based on management information provided by Sainsbury's Bank. Actual gross customer assets, balances and customer accounts to be acquired may vary at completion. The final consideration will reflect the value of assets and liabilities transferred at completion of the transaction and will be subject to certain customary adjustments. 7. Completion of the transaction is conditional on a satisfactory response from the Competition & Markets Authority.

Slide 18: 1. Operating range in 2023 reflects medium term CET1 of 13-14%. 2. Based on assumption of static regulatory capital requirement. 3. O-SII buffer of 1.5% applies to the ring-fenced bank holding company. The equivalent O-SII Group Risk Add-on' is ~1.2%. The O-SII Group Risk Add-on is included in the Group's minimum supervisory minimum. 4. Countercyclical buffer -The UK CCyB rate increased from 0% to 1% effective from 13 December 2022. A further increase from 1% to 2% was announced on 5 July 2022, effective 5 July 2023. 5. Pillar 2A requirements are expected to vary over time and are subject to at least annual review. 56.25% of the total Pillar 2A requirement must be met from CET1 capital. 6. The countercyclical leverage ratio buffer is set at 35% of NatWest Group's CCyB. As noted above the UK CCyB increased from 1% to 2% from 5 July 2023. Foreign exposures may be subject to different CCyB rates depending on the rate set in those jurisdictions.

Slide 19: 1. May not cast due to rounding 2. Guidance includes the impact of Basel 3.1, subject to final rules and approval.

Slide 20: 1. "MREL" = Minimum requirement for own funds and eligible liabilities. MREL eligible liabilities excludes securities issued from operating subsidiaries. 2. Illustration, based on assumption of static regulatory capital requirements. MREL requirement is set at 2x (Pillar 1+ Pillar 2A) per Bank of England guidance. 3. Pillar 2A requirement held constant over the period for illustration purposes. Pillar 2A requirements are expected to vary over time and are subject to at least an annual review. 56.25% of the total Pillar 2A requirement must be met from CET1 capital. 4. O-SII buffer of 1.5% applies to the ring-fenced bank holding company. The equivalent O-SII Group Risk Add-on' is ~1.2%. The O-SII Group Risk Add-on is included in the Group's minimum supervisory minimum. 5. The UK CCyB rate increased from 1% to 2%, effective 5 July 2023.

Slide 21: 1. Includes primary/benchmark transactions only. Does not include private placements. 2. H1 2024 issuance as at 28th June 2024.

Slide 24: 1. Moody's long-term Issuer and Deposit Rating. The ring-fenced bank operating companies do not issue rated senior unsecured debt. Nevertheless, Moody's assigns an Issuer Rating. The outlook on both ratings is Stable. 2. Moody's Deposit rating. Senior Unsecured Debt rating is A2. The outlook on both ratings is Stable.

Slide 25: 1. Wholesale funding excluding repos, derivative cash collateral. 2. Customer deposits includes NBFIs repo balances. 3. MTN issuance includes HoldCo issued senior unsecured MREL securities and OpCo issued senior unsecured.

Slide 26: 1. Based on notional value outstanding and FX rate as at close 28 June 2024, and first call date of instrument, however this does not indicate NatWest Group's strategy on capital and funding management. The table above does not include debt accounted Tier 1 instruments although those instruments form part of the total subordinated debt balance.

Footnotes

Slide 27: 1. For NatWest Group plc this is the gross yield on the IEAs of the banking business; for Retail, Commercial & Institutional and Private it represents the third party customer asset rate. 2. For NatWest Group plc this is the cost of interest-bearing liabilities of the banking business plus the benefit from free funds; for Retail Banking and Commercial & Institutional it represents the third party customer funding rate which includes both interest-bearing and non-interest-bearing deposits.

Slide 28: 1. The basis of preparation of the table above has changed since December 2022. UBIDAC is no longer included. In addition, the 'Other' category is no longer used: hedges booked in Coutts & Co. have now been allocated between product hedges and equity hedges, while hedges booked in RBS International have been allocated to product hedges.

Slide 29: 1. page 74 of NWG H1'24 IMS, Page 266 of NWG FY'23 ARA, page 73 NWG H1'23 IMS.

Slide 30: 1. May not cast due to rounding.

Slide 31: 1. Full details of the economic assumptions can be found on pages 18 - 21 of H1'24 IMS, 191-196 of NWG FY'23 ARA and 19-22 of H1'23 IMS. 2. The basis for the average calculations has changed from H1 '23 reporting. We now provide averages for 5 calendar year period that starts from reporting year (e.g., 2023-27 for H1'23 reporting). Historical periods have also been recalculated following the same approach to ensure comparability. The average for the parameters are based on: Five calendar year CAGR for GDP; Five calendar year average for Unemployment rate; Q4 to Q4 five-year CAGR for other parameters.

Slide 32: 1. Total portfolio average LTV% as at H1'24. 2. This includes ~2% of other off-sale mortgage products. 3. Does not include any GNL assumption, but only based on contractual maturity. 4. Loans at amortised cost and FVOCI.

Slide 33: 1. Relates mainly to business banking and unsecured corporate lending. 2. Relates to the development of commercial and residential properties. LTV is not a meaningful measure for this type of lending activity.

Slide 35: 1. Worst point FY'2008 except LDR (Q3'2008). 2. Worst point CET1 measured under B2 framework. 3. Worst point as measured in 2008, Q1 2024 average basis. 4. Excluding £12bn TFSME.

The guidance, targets, expectations and trends discussed in this presentation represent NatWest Group management's current expectations and are subject to change, including as a result of the factors described in the "Risk Factors" in NWG's 2023 Annual Report and Accounts and Form 20-F, the "Risk Factors" in the NWM 2023 Annual Report and Accounts, and the Summary Risk Factors in the NWG H1 2024 IMS and the NWM Plc H1 2024 IMS.

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 targets and guidance relating to financial performance measures, such as income growth, operating expense, RoTE, ROE, discretionary capital distribution targets, impairment loss rates, balance sheet reduction, including the reduction of RWAs, CET1 ratio (and key drivers of the CET1 ratio including timing, impact and details), Bank of England base rates, Pillar 2 and other regulatory buffer requirements and MREL and non-financial performance measures, such as NatWest Group's initial area of focus, climate and sustainability-related performance ambitions, targets and metrics, including in relation to initiatives to transition to a net zero economy, Climate and Sustainable Funding and Financing (CSFF) and financed emissions. In addition, this document includes forward-looking statements relating, but not limited to: implementation of NatWest Group's strategy (including in relation to:, cost-controlling measures, the Commercial & Institutional segment and achieving a number of various targets within the relevant timeframe); the timing and outcome of litigation and government and regulatory investigations; direct and on-market buy-backs; funding plans and credit risk profile; managing its capital position; liquidity ratio; portfolios; net interest margin and drivers related thereto; lending and income growth, product share and growth in target segments; impairments and write-downs; restructuring and remediation costs and charges; NatWest Group's exposure to political risk, economic assumptions and risk, climate, environmental and sustainability risk, operational risk, conduct risk, financial crime risk, cyber, data 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; 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 affect NatWest Group's future results, its financial condition and/or prospects and cause them to be materially different from what is forecast or expected, include, but are not limited to: economic and political risk (including in respect of: political and economic risks and uncertainty in the UK and global markets, including due to GDP growth, inflation and interest rates, fiscal and monetary policy changes (such as increases in bank levies), supply chain disruption and geopolitical developments); changes in foreign currency exchange rates; uncertainty regarding the effects of Brexit; and HM Treasury's significant degree of influence over NatWest Group and the potential adverse effect of further sales or offers of shares held by HM Treasury's on NatWest Group's reputation or securities price; strategic risk (including in respect of the implementation of NatWest Group's strategy; future acquisitions and divestments (including the phased withdrawal from ROI), and the transfer of its Western European corporate portfolio); financial resilience risk (including in respect of: NatWest Group's ability to meet targets and to make discretionary capital distributions; the competitive environment; counterparty and borrower risk; liquidity and funding risks; prudential regulatory requirements for capital and MREL; reductions in the credit ratings; the requirements of regulatory stress tests; model risk; sensitivity to accounting policies, judgments, estimates and assumptions (and the economic, climate, competitive and other forward looking information affecting those judgments, estimates and assumptions); changes in applicable accounting standards; the value or effectiveness of credit protection; the adequacy of NatWest Group's future assessments by the Prudential Regulation Authority and the Bank of England; and the application of UK statutory stabilisation or resolution powers); climate and sustainability risk (including in respect of: risks relating to climate-related and sustainability-related risks; both the execution and reputational risk relating to NatWest Group's climate change-related strategy, ambitions, targets and transition plan; climate and sustainability-related data and model risk; the failure to implement climate change resilient governance, systems, controls and procedures; increasing levels of climate, environmental, human rights and sustainability-related regulation and oversight; increasing anti-greenwashing regulations; climate, environmental and sustainability-related litigation, enforcement proceedings investigations and conduct risk; and reductions in ESG ratings); 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; attracting, retaining and developing diverse 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; the outcome of legal, regulatory and governmental actions, investigations and remedial undertakings; and changes in tax legislation or failure to generate future taxable profits).

Climate and sustainability-related disclosures

Climate and sustainability-related disclosures in this document are not measures within the scope of International Financial Reporting Standards ('IFRS'), use a greater number and level of judgments, assumptions and estimates, including with respect to the classification of climate and sustainable funding and financing activities, than our reporting of historical financial information in accordance with IFRS. These judgments, assumptions and estimates are highly likely to change materially over time, and, when coupled with the longer time frames used in these disclosures, make any assessment of materiality inherently uncertain. In addition, our climate risk analysis, net zero strategy, including the implementation of our climate transition plan remain under development, and the data underlying our analysis and strategy remain subject to evolution over time. The process we have adopted to define, gather and report data on our performance on climate and sustainability-related measures is not subject to the formal processes adopted for financial reporting in accordance with IFRS and there are currently limited industry standards or globally recognised established practices for measuring and defining climate and sustainability-related metrics. As a result, we expect that certain climate and sustainability-related disclosures made in this document are likely to be amended, updated, recalculated or restated in the future. Please also refer to the cautionary statement in the section entitled 'Climate-related and other forward-looking statements and metrics' of the NatWest Group 2023 Climate-related Disclosures Report.

Cautionary statement regarding Non-IFRS financial measures and APMs

NatWest Group prepares its financial statements in accordance with UK-adopted International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). This document may contain financial measures and ratios not specifically defined under GAAP or IFRS ('Non-IFRS') and/or alternative performance measures ('APMs') as defined in European Securities and Markets Authority ('ESMA') guidelines. Non-IFRS measures and APMs are adjusted for notable and other defined items which management believes are not representative of the underlying performance of the business and which distort period-on-period comparison. Non-IFRS measures provide users of the financial statements with a consistent basis for comparing business performance between financial periods and information on elements of performance that are one-off in nature. Any Non-IFRS measures and/or APMs included in this document, are not measures within the scope of IFRS, are based on a number of assumptions that are subject to uncertainties and change, and are not a substitute for IFRS measures.

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.

Fixed Income investor contacts

Group Treasury

Scott Forrest
Head of Capital Strategy &
Treasury Debt Capital Markets
scott.forrest@natwest.com

Investor Relations

Paul Pybus
Head of Debt Investor Relations
paul.pybus@natwest.com
+44 (0) 207 672 1758

Amber Sekhri
Fixed Income Corporate Access
amber.sekhri@natwest.com
+44 (0) 207 672 1767

Useful links

- Fixed Income Investor Relations website
  NatWest Group – Fixed income investors
- Green, Social and Sustainability Bonds framework
  NatWest Group – Green, Social and Sustainability Bonds
- ESG Disclosures
  NatWest Group – ESG Disclosures
- Results Disclosures
  NatWest Group – Results centre