



NatWest
Group

Q3 2023 Results

27 October 2023



NatWest
Group

Paul Thwaite **Chief Executive Officer**

The business is performing well

Strong earnings and returns, operating profit of £4.9bn in 9M'23

£10.9bn

Income ex notable items¹
+£1.6bn vs 9M'22

49.9%

Cost to Income ratio²
vs 55.6% in 9M'22

17.1%

Return on Tangible Equity
vs 10.0% in 9M'22

Robust funding, deposits and liquidity profile

£423.5bn

Customer Deposits³
-£9.4bn vs Dec'22

£358bn

Customer Loans³
+£8.0bn vs Dec'22

83%

Loan to deposit ratio
+4% vs Dec'22

Strong capital generation of 118bps⁴ in 9M'23

£2.9bn⁵

Shareholder distributions
paid and accrued

£1.1bn Ordinary dividends,
£1.8bn Buybacks

>90%⁶

of the 9M'23 £3.2bn
attributable profit will
be distributed

13.5%

CET1 ratio
vs 14.2% at Dec'22

1. Total income excluding notable items. 2. Cost:income ratio is total costs excluding litigation and conduct, divided by total income. 51.4% excluding income from notable items. 3. Across the three business segments – Retail, Private and Commercial & Institutional. 4. 118bps Excludes discontinued operations, notable tax adjustments and impacts of Cushon acquisition, reported is 94bps 5. £2.9bn includes £1.3bn Directed Buyback executed in May'23, £0.5bn on-market buyback announced in H1'23 of which almost half executed as at 27th Oct'23; £0.5bn interim dividend paid in Sept'23 and £0.6bn foreseeable ordinary dividend. 6. £2.9bn actual and foreseeable shareholder distributions divided by the 9M'23 attributable profit.

Near term priorities

- 1 Supporting our customers**
- 2 Driving simplification and digitisation of customer experiences**
- 3 Disciplined approach to managing cost and productivity**
- 4 Dynamic and disciplined management of strong Balance Sheet**
- 5 Focused execution of our strategy to deliver attractive returns and strong capital distributions**



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Katie Murray **Chief Financial Officer**

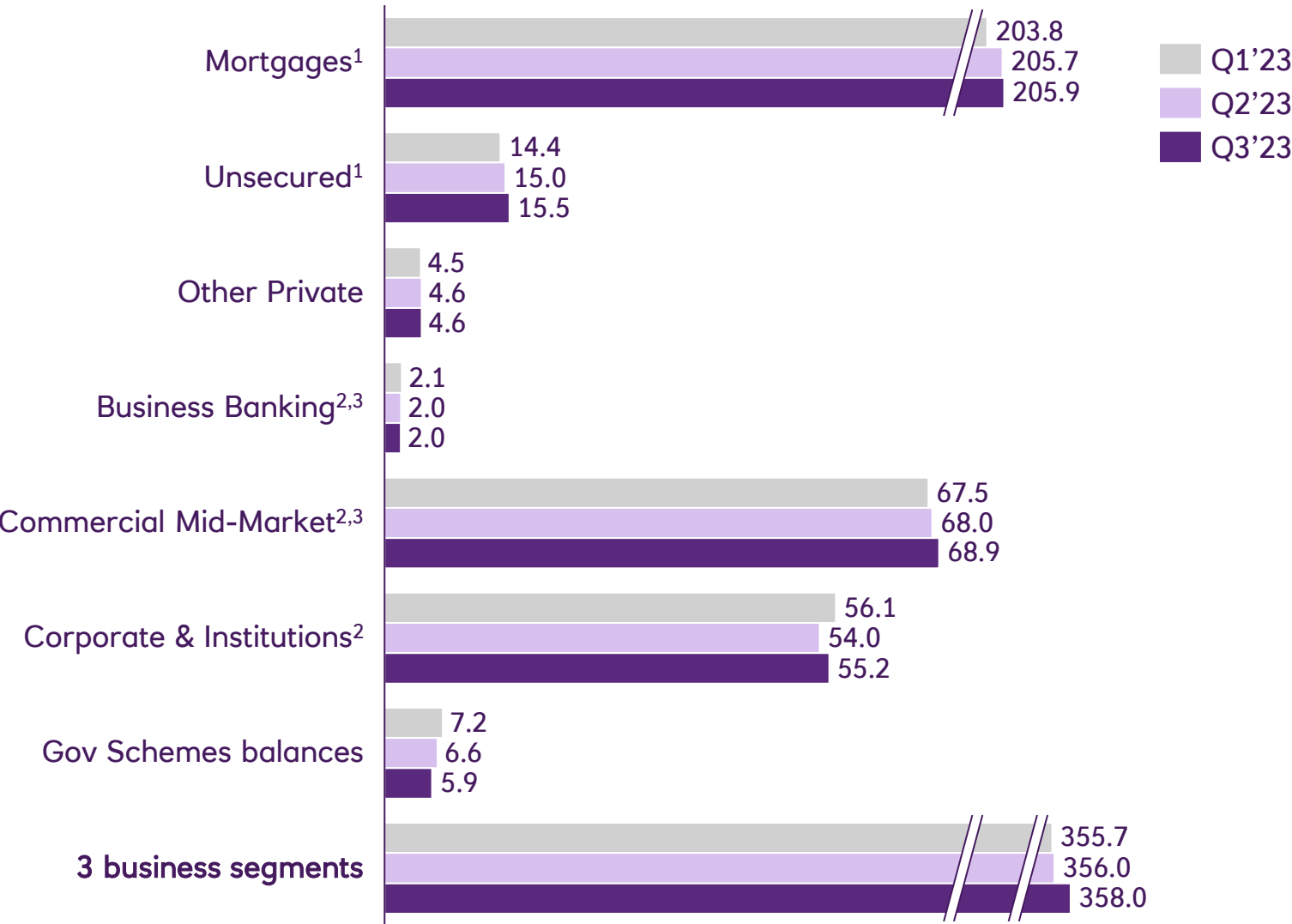
Strong Q3'23 operating performance

Group, £m	Q3'23	Q2'23	Q3'22	Q3'23 vs Q2'23	Q3'23 vs Q3'22
Net interest income, ex notable items ¹	2,685	2,824	2,640	(4.9%)	1.7%
Non-interest income, ex notable items ¹	829	739	757	12.2%	9.5%
Total income, ex notable items¹	3,514	3,563	3,397	(1.4%)	3.4%
Total income	3,488	3,851	3,229	(9.4%)	8.0%
Other operating expenses	(1,793)	(1,875)	(1,771)	(4.4%)	1.2%
Litigation and conduct costs	(134)	(52)	(125)	157.7%	7.2%
Operating expenses	(1,927)	(1,927)	(1,896)	--	1.6%
Operating profit before impairments	1,561	1,924	1,333	(18.9%)	17.1%
Impairment (losses)/releases	(229)	(153)	(247)	49.7%	(7.3%)
<i>Loan impairment rate</i>	24bps	16bps	26bps	8bps	(2bps)
Operating profit	1,332	1,771	1,086	(24.8%)	22.7%
Attributable profit, £m	866	1,020	187	(15.1%)	363.1%
Return on Tangible Equity	14.7%	16.4%	2.9%	(2)ppts	12ppts
Cost to Income Ratio²	51.4%	48.7%	54.8%	3ppts	(3)ppts

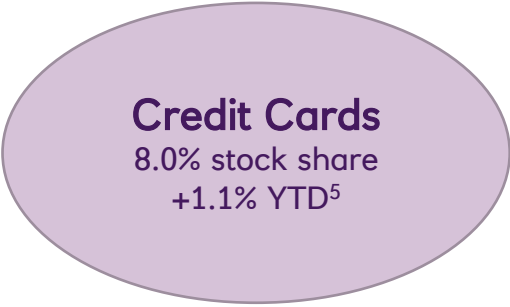
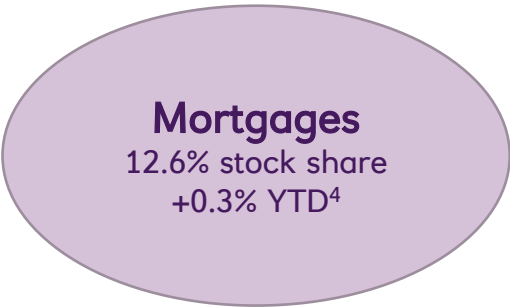
1. This line excludes notable income items as per slide 22. 2. Cost:income ratio is total costs excluding litigation and conduct, divided by total income.

Mortgage demand moderates, further share gains across the book

Gross loans to customers (amortised cost) at Q3'23, £bn



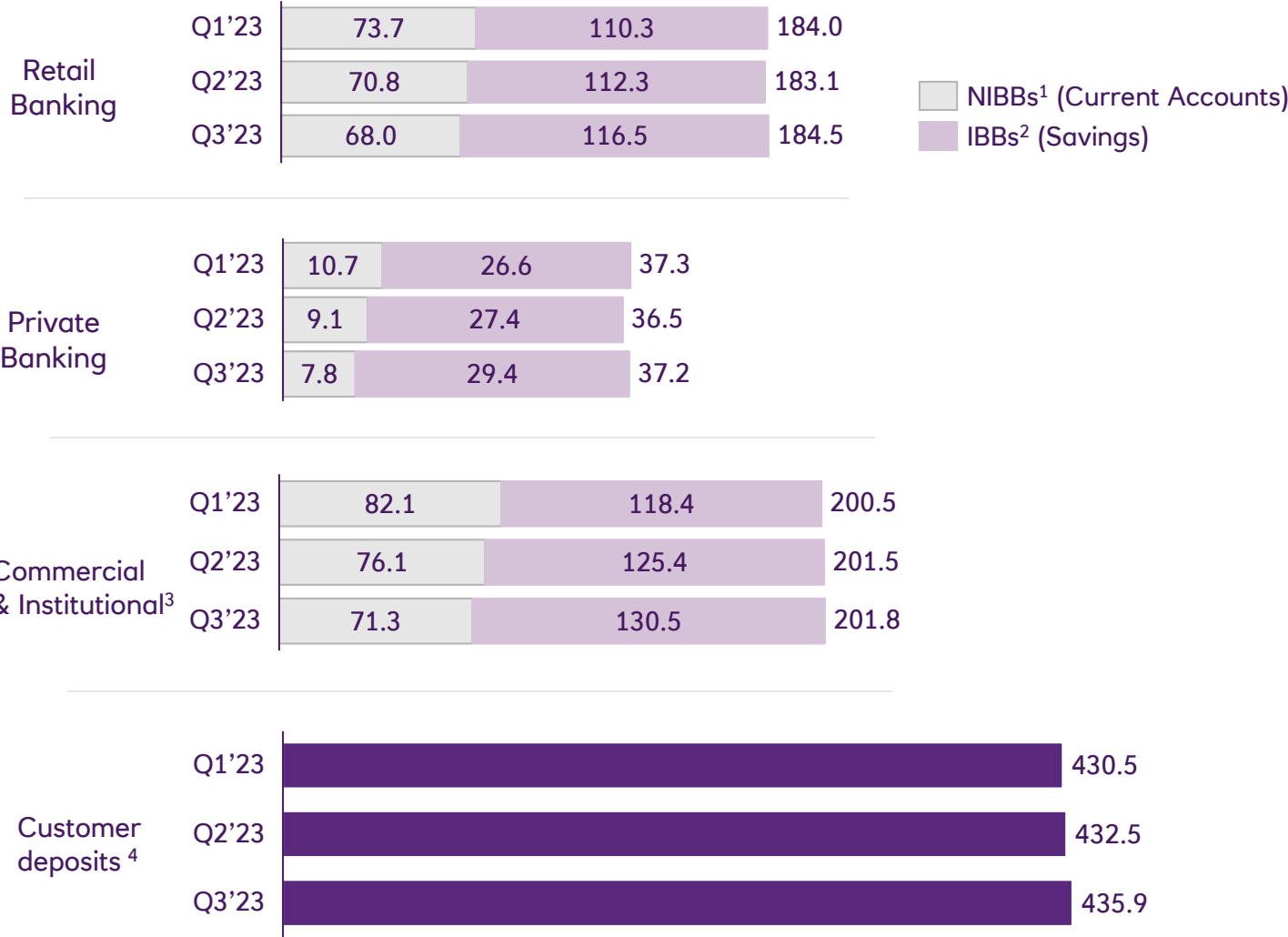
We are increasing share in targeted areas



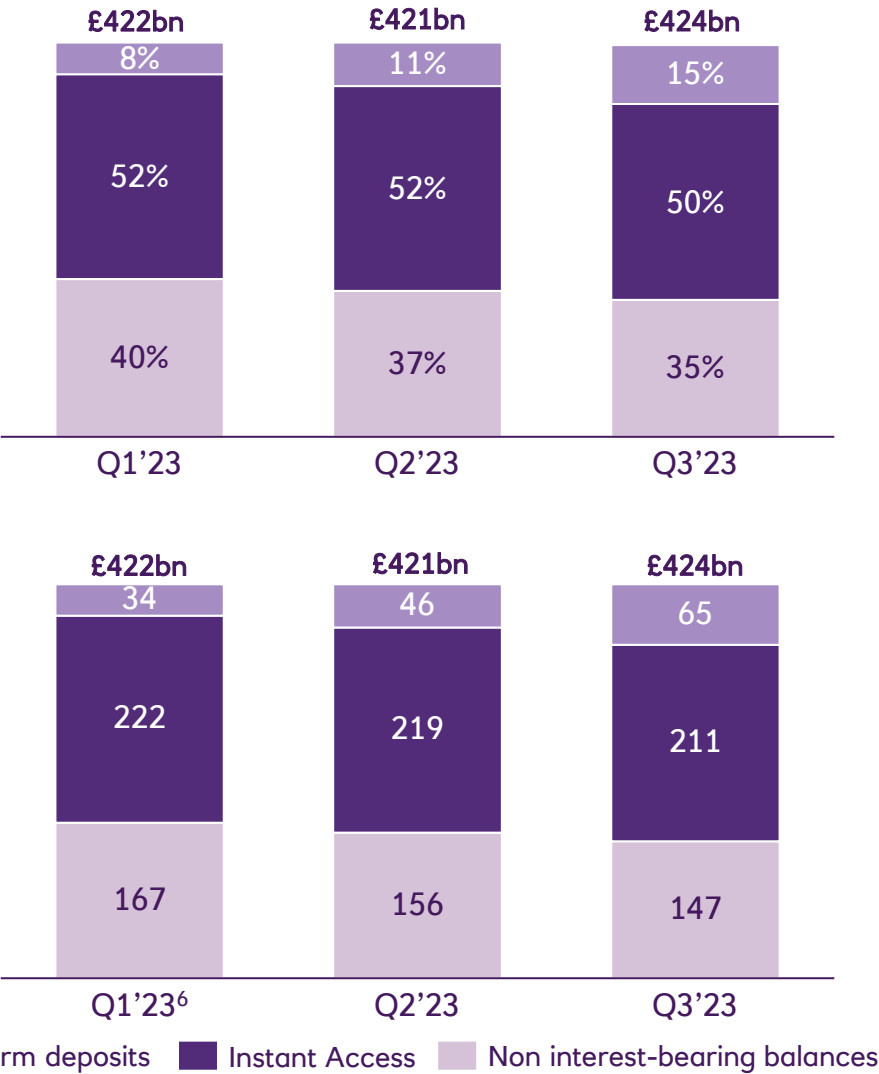
1. Across Retail and Private Banking 2. All sub-segments in Commercial & Institutional are ex government schemes. 3. Business Banking (BB) and Commercial Mid-Market (CMM) segment balances have been restated in Q4'22, Q1'23 and Q2'23 c.£0.1bn each quarter. This was as a result of a proportion of customers moving from BB to CMM intra quarter and their repayment balances adjusted accordingly. 4.12.6% in Q3'23 vs 12.3% in Q4'22, based on Sept BOE data. 5. 8.0% in Q3'23 vs 6.9% in Q4'22, based on Sept. BOE data. 6. Climate and sustainable funding and financing between 1 July 2021 and the end of 2025.

Robust deposit funding - balances increase, migration continues

Customer deposits, £bn



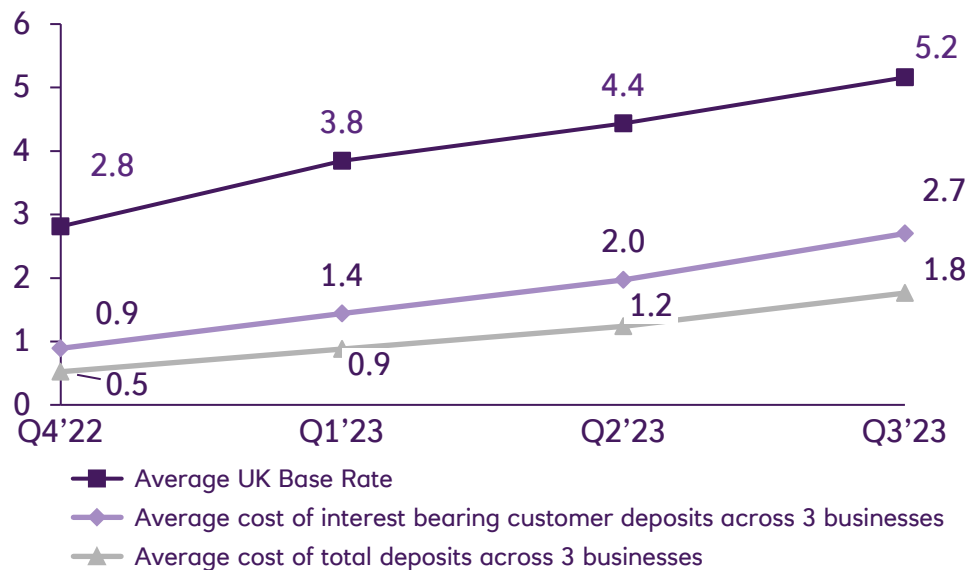
Deposit mix by interest type across the 3 business segments⁵ %, £bn



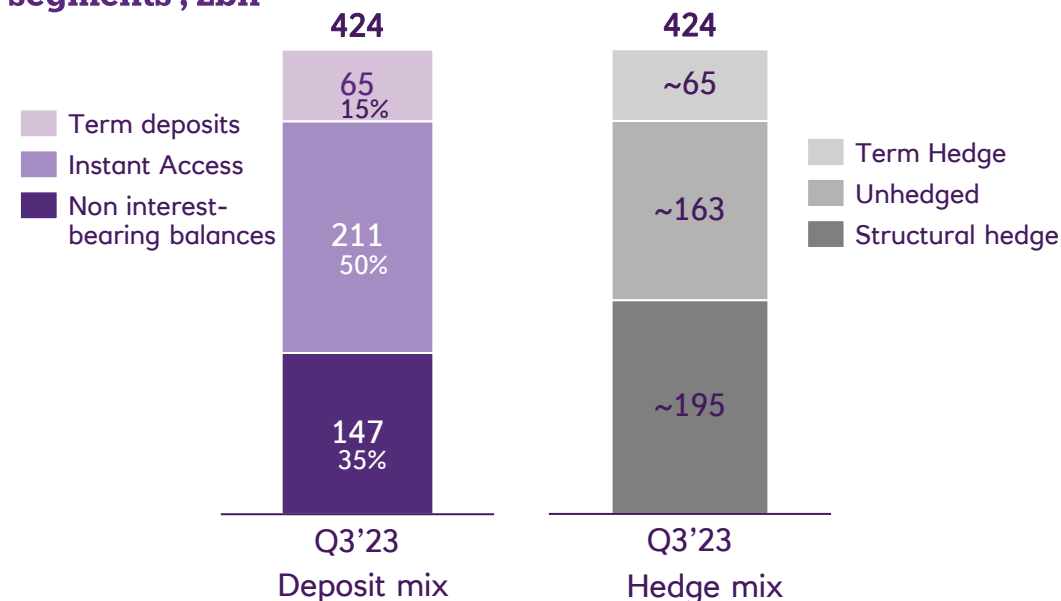
1. NIBBs: Non-Interest bearing balances (current accounts as disclosed for Retail/Private) . 2. IBBs: Interest bearing balances (savings as disclosed for Retail/Private). 3. The NIBBs / IBBs split for Commercial & Institutional is implied from the Total for the three businesses, Retail Banking and Private Banking disclosures 4.Customer Deposits (£435.9bn) = 3 business segments + Ulster + Centre. 5. The numbers may not cast due to rounding. 6. Q1'23 IBBs balances reflect the rounded calculation.

Managing deposits for long term value and liquidity

Third party customer deposit rate and UK Base Rate, %



Deposit mix by interest and hedge type across the 3 business segments¹, £bn



Net interest income impacted by higher interest payable

£m	Q4'22	Q1'23	Q2'23	Q3'23
Interest receivable	4,046	4,501	4,981	5,589
Interest payable	(1,178)	(1,599)	(2,157)	(2,904)
<i>o/w third party customer deposit interest</i>	<i>(588)</i>	<i>(921)</i>	<i>(1,295)</i>	<i>(1,870)</i>
Net interest income	2,868	2,902	2,824	2,685

<u>Change in period</u>				
Interest receivable	705	455	480	608
Interest payable	(477)	(421)	(558)	(747)
<i>o/w third party customer deposit interest</i>	<i>(375)</i>	<i>(333)</i>	<i>(374)</i>	<i>(575)</i>
Net interest income	228	34	(78)	(139)

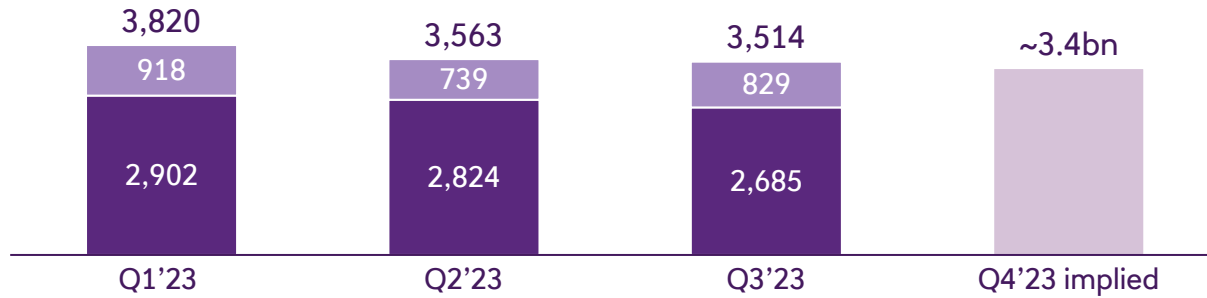
Drivers of deposit margin

- Deposit balance & mix - customer migration to higher interest-paying accounts increases interest payable, reducing deposit income and margin in the near term
- Structural hedging – reinvestment of maturing hedges is expected to increase deposit income over time

Income broadly stable, stronger non-interest income

Income¹, £m

■ Non interest income ■ Net interest income



Bank NIM 3.27%
Group NIM 2.25%

Bank NIM 3.13%
Group NIM 2.20%

Bank NIM 2.94%
Group NIM 2.05%

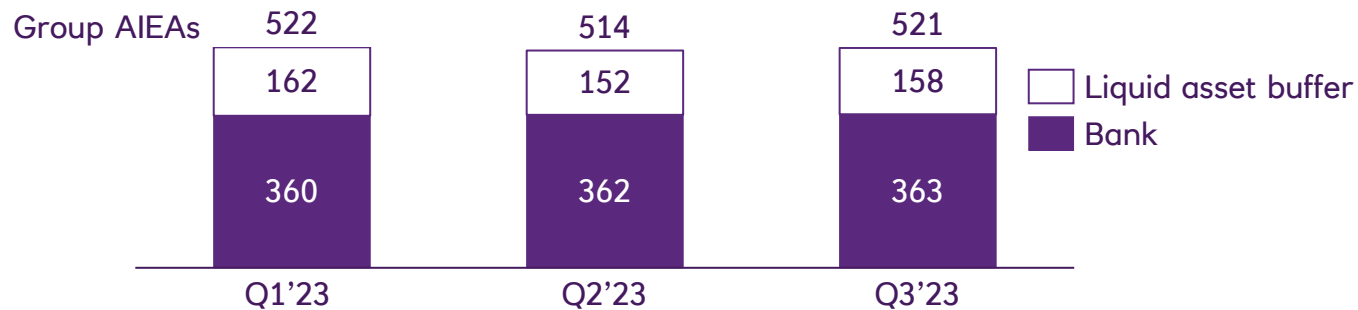
Income

- FY'23 income now expected to be around £14.3 billion¹
- Q3'23 Net interest income reduction reflects increased deposit expense and lower mortgage income
- Q3'23 Non-interest income improvement includes increased customer activity and higher lending fees

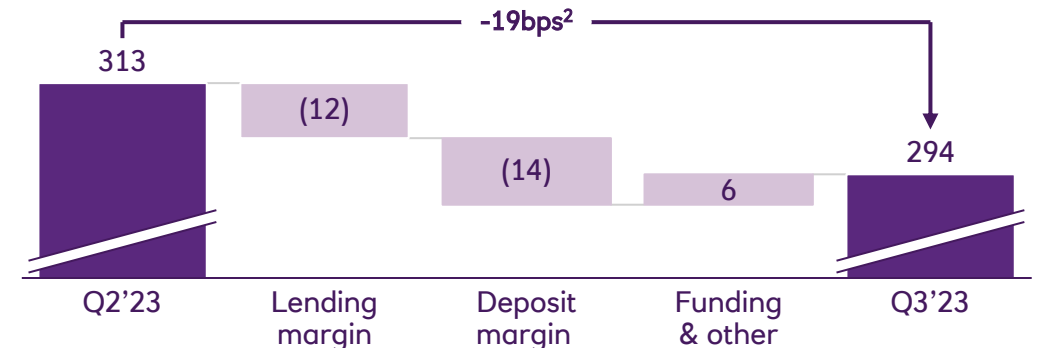
Net interest margin and volume

- FY'23 Bank NIM now expected to be greater than 3%
- We expect the sequential reduction in Bank NIM in Q4'23 to be less than the 19bps reduction in Q3'23
- Q3'23 AIEAs higher due to lending and liquidity portfolio

Average Interest Earning Assets, £bn



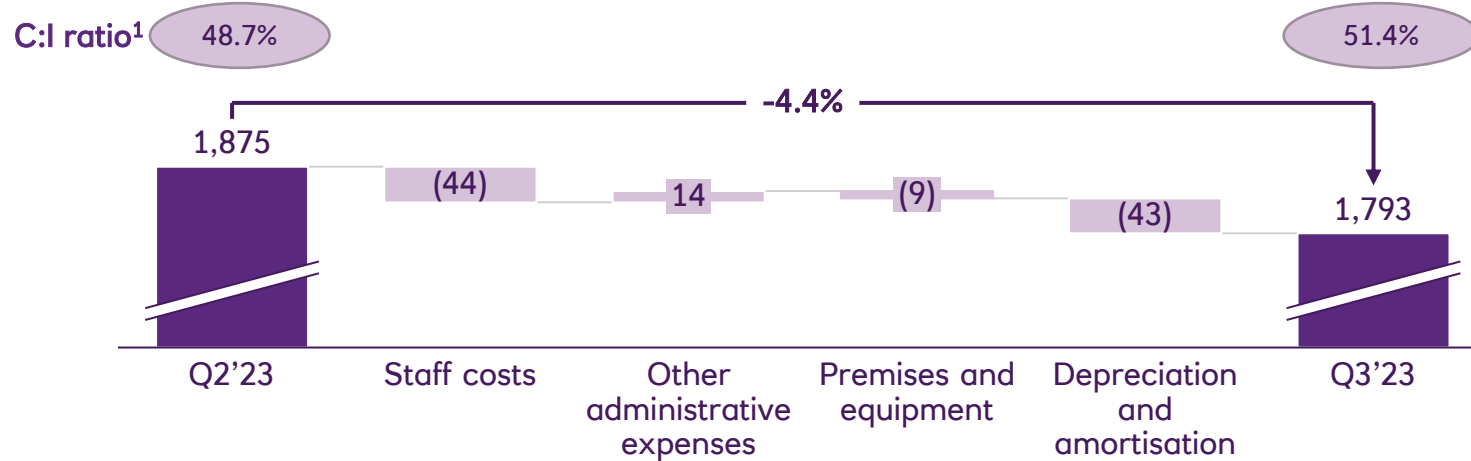
Net interest margin, bps



1. Excluding relevant notable income items per slide 22. 2. Will not cast due to rounding.

On track for ~£7.6bn other operating costs in FY'23

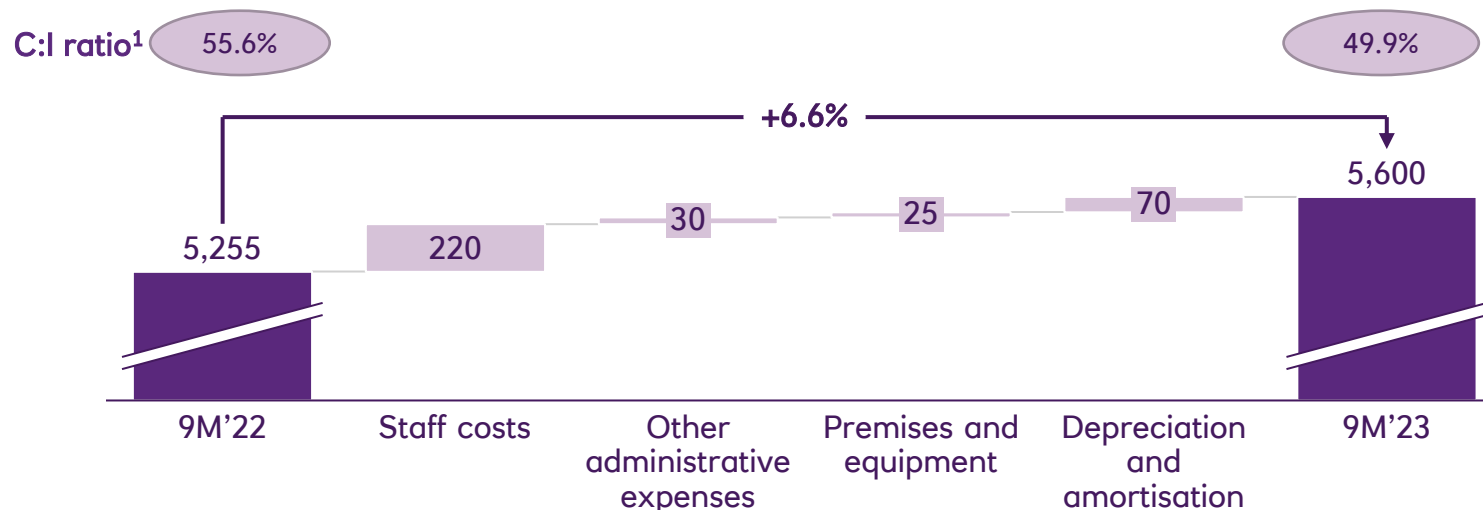
Other operating expenses Q3'23 vs Q2'23, £m



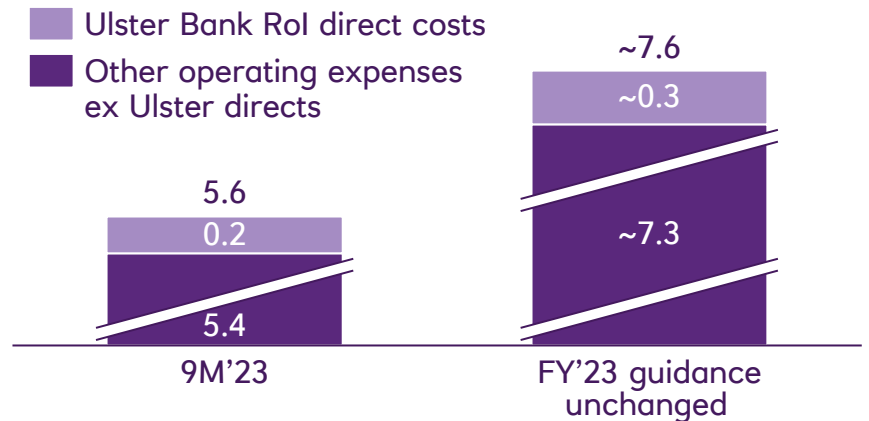
9M'23 cost drivers

- Staff costs include ~£60m one off cash payment in January plus 6.4% average annual wage increase effective from April 2023
- Non-staff costs reflect broader inflationary pressures
- Higher amortisation due to capitalised Technology investment

Other operating expenses 9M'23 vs 9M'22, £m



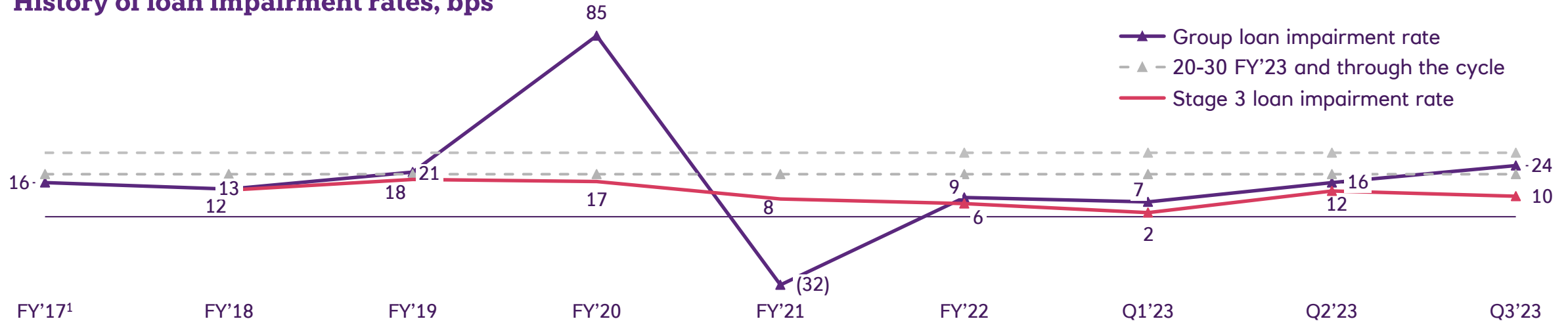
Progress versus cost guidance, £bn



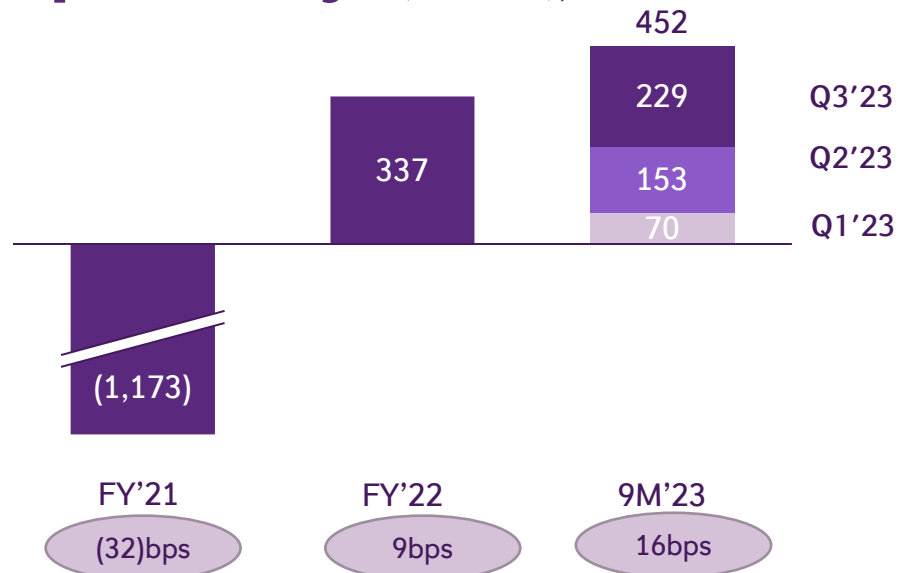
1. Cost:income ratio is total costs excluding litigation and conduct, divided by total income.

We now expect our impairment charge for FY'23 to be below 20bps

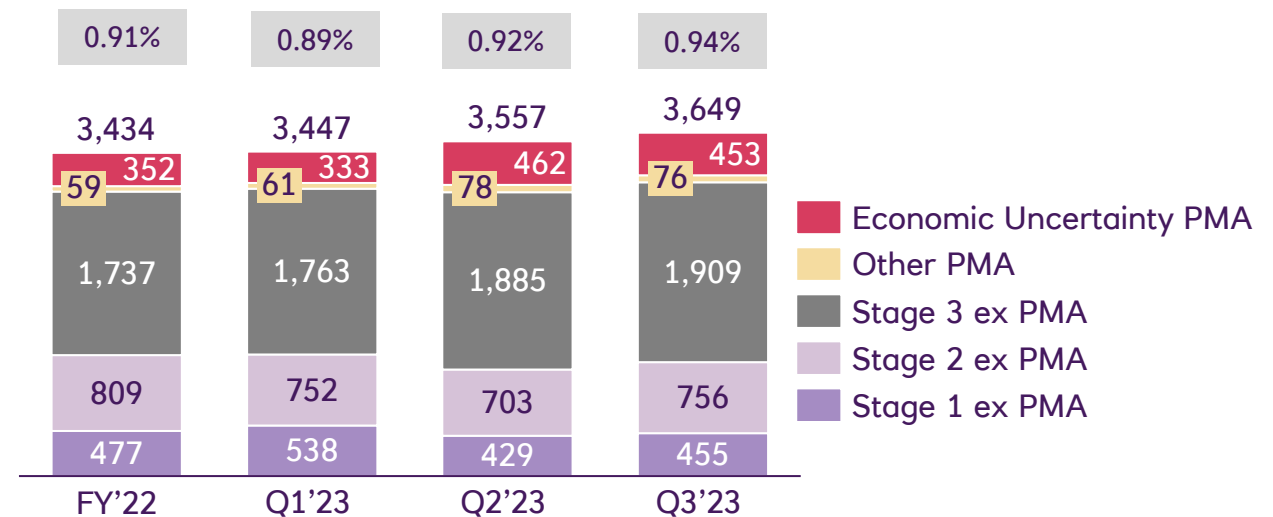
History of loan impairment rates, bps



Impairment charge / (release), £m



Group ECL provisions, £bn and coverage



1. 2017 did not have IFRS 9 staging disclosure

Well diversified, high-quality loan book

Arrears levels remain broadly stable

Mortgages

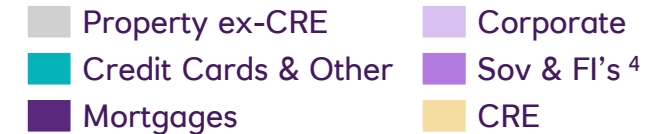
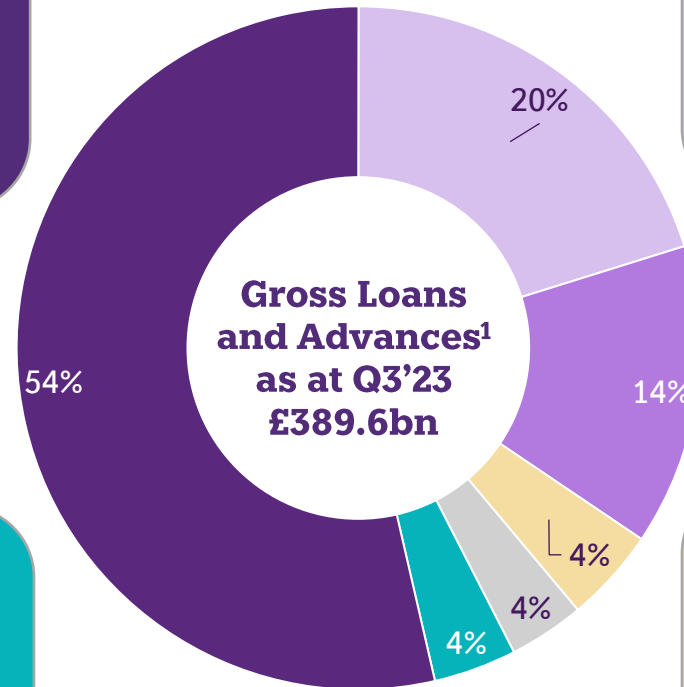
- Mortgage LTV of 55%²
- Balances: 67% 5Y, 24% 2Y, 1% 10Y, 5% Tracker, 3% SVR
- £15.5bn or ~8.2% of fixed book expire by end of 2023
- Arrears levels are normalising back to pre-Covid levels

Credit cards and other unsecured

- <4% of Group Loans
- Growth YTD driven by Credit Card remains within limits for all Unsecured products
- Difficulty to pay³ indicators remained broadly stable and do not show any adverse trends
- Cards arrears normalised at pre-Covid levels, and the inflows remain low

Corporate

- Diversified £78.5bn corporate loan book
- Low exposure to in focus areas such as Retail £7.7bn, Automotive £7.8bn and Leisure £7.1bn
- Limited exposure to Oil and Gas £1bn
- Stage 2 and stage 3 exposure and ECL remained broadly stable vs Q2'23

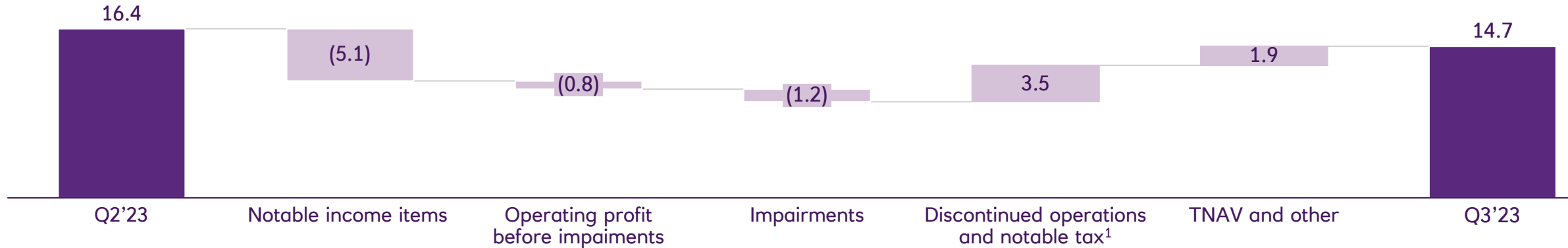


Commercial Real Estate (CRE)

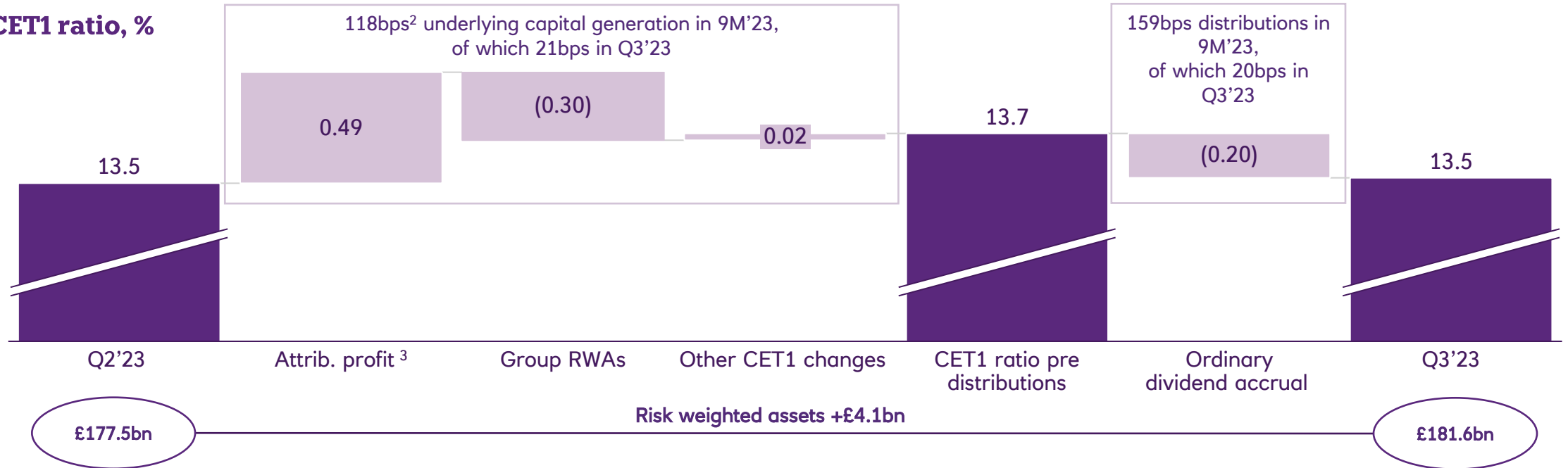
- <5% of Group lending
- CRE average LTV of 48%²
- Around 20% of our book is due to expire each year⁵
- Exposure to the Retail and Office sector is geographically diversified across all regions of the UK

Continued sustainable returns and strong capital generation and distribution

Return on tangible equity, %

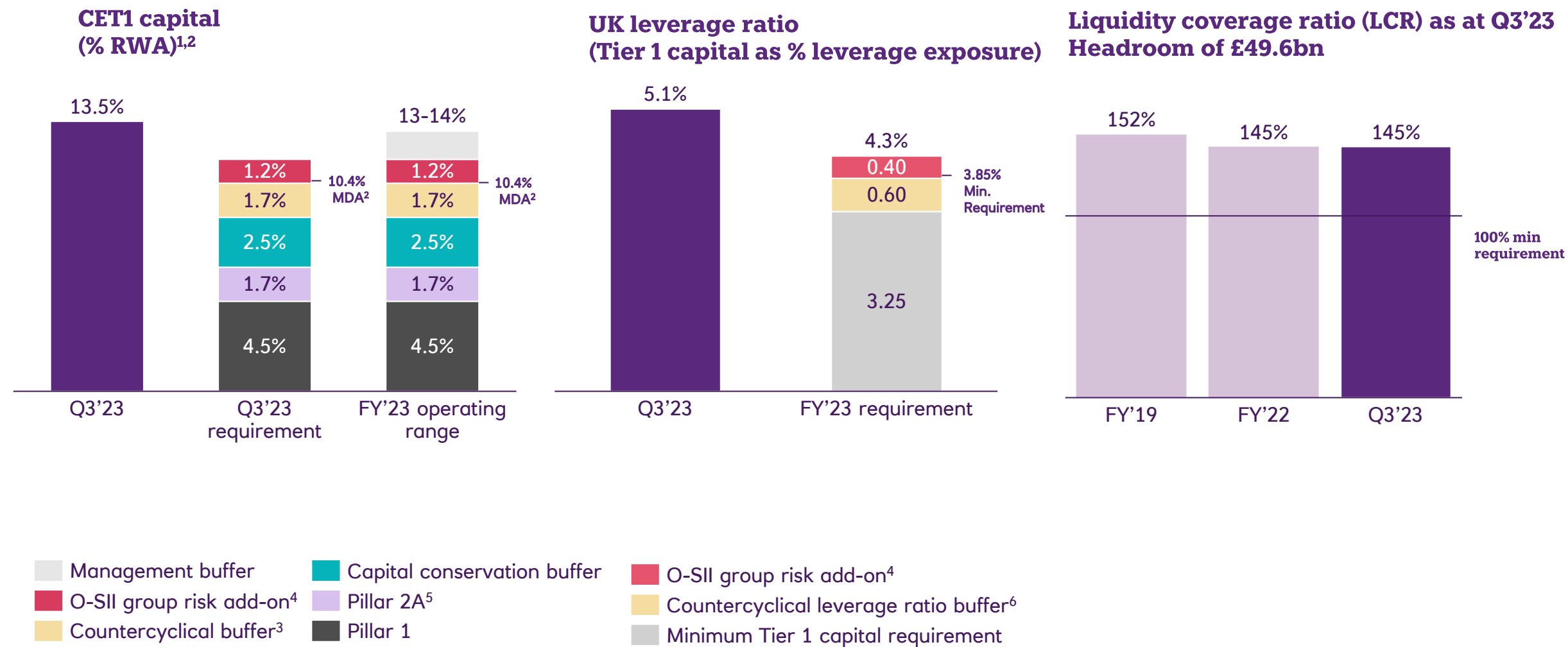


CET1 ratio, %



1. Includes loss from discontinued operations, net of tax and tax adjustments in respect of prior periods. 2. 118bps excludes discontinued operations, notable tax adjustments and impacts of Cushon acquisition, reported is 94bps. 3. Attrib. profit net of IFRS 9 changes.

Strong capital and leverage positions provide confidence and flexibility



1. Operating range in 2023 reflects medium term CET1 of 13-14%. 2. Based on assumption of static regulatory capital requirement. 3. 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. 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. 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.

Our FY'23 guidance

2023 GUIDANCE

Total Income	Other operating costs and C:I ratio ²	Loan impairment rate	RoTE	Distributions
~£14.3bn¹ NIM: >3% Assumes peak UK Base Rate of <u>5.25%</u>	~£7.6bn <52%	Below 20bps	Upper end of 14-16%	Payout ratio 40% + capacity for buybacks and inorganic opportunities³

9M'23 PERFORMANCE

£10.9bn¹ NIM: 3.11%	£5.6bn C:I ² 49.9%	16bps	17.1%	£2.9bn⁴
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1. Total Income ex notable items. 2. Cost:income ratio is total costs excluding litigation and conduct, divided by total income 3. considered if compelling shareholder value and strategic rationale. 4. Paid and accrued



NatWest
Group

Paul Thwaite **Chief Executive Officer**

Well positioned for current macro environment

- 1 The business is performing well as our customers adapt to the changing macro**
- 2 Maintaining focus on serving our customers and meeting their evolving needs**
- 3 Disciplined execution with strong focus on digitisation and simplification**
- 4 Strong Balance Sheet with capacity for targeted growth**
- 5 Good track record of capital generation and committed to continuing to drive returns and capital distributions**



Q&A



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Appendix



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Outlook statements¹

The economic outlook and consequent customer behaviours remain uncertain. The following statements are based on our latest economic forecasts and expected customer behaviours.

Outlook 2023

- We continue to expect to achieve a return on tangible equity for the Group of 14-16%.
- We expect total income excluding notable items to be around £14.3 billion and full year Bank NIM to be greater than 3% based on our latest expectations for the mix of our deposit book and the assumption that Bank of England base rates remain flat at 5.25% for the remainder of the year.
- We continue to expect to deliver a Group cost:income ratio (excl. litigation and conduct) below 52% or around £7.6 billion of Group operating costs, excluding litigation and conduct costs.
- We expect our impairment loss rate for 2023 to be below our through the cycle range of 20-30 basis points.
- We expect CRD IV model updates to increase RWAs by around £3 billion in Q4 2023. The models remain subject to further development and final approval by the PRA.

Medium term

- We continue to target a sustainable return on tangible equity for the group of 14-16% over the medium term.
- We continue to expect to deliver a Group cost:income ratio (excl. litigation and conduct) of less than 50%, by 2025.
- We currently expect RWAs to be around £200 billion at the end of 2025, including the impact of Basel 3.1, however this remains subject to final rules and approval.
- We expect to continue to generate and return significant capital via ordinary dividends and buybacks to shareholders over the medium term and continue to expect that the CET1 ratio will be in the range of 13-14%.

The guidance remains subject to market conditions. We will monitor and react to market conditions and refine our internal forecasts as the economic position and customer behaviours evolve.

(1) The guidance, targets, expectations, and trends discussed in this section represent NatWest Group plc management's current expectations and are subject to change, including as a result of the factors described in the NatWest Group plc Risk Factors section in the 2022 Annual Report and Accounts and Form 20-F and the Summary Risk Factors in the 2023. NatWest Group plc Interim Results announcement. These statements constitute forward-looking statements. Refer to Forward-looking statements in this announcement.

Notable items

	Q1'22	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23
Group income	3,008	3,211	3,229	3,708	13,156	3,876	3,851	3,488
Notable items in Income, £m	Q1'22	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23
<i>Commercial and Institutional Banking</i>								
Own credit adjustments (OCA)	18	34	9	(19)	42	6	3	(6)
Fair value, disposal losses and strategic risk reduction	--	(45)	--	--	(45)	--	--	--
<i>Central items & other</i>								--
Interest and FX risk management derivatives not in accounting hedge relationships	166	149	100	(46)	369	75	(23)	48
Loss on redemption of own debt	(24)	--	(137)	--	(161)	--	--	--
Liquidity Asset Bond sale gains/(losses)	41	(5)	(124)	--	(88)	(13)	(11)	(9)
Share of associate profits/(losses) for Business Growth Fund	23	(36)	(16)	7	(22)	(12)	(3)	10
Property lease termination losses	--	--	--	--	--	--	--	(69)
FX recycling gain	--	--	--	--	--	--	322	--
Effective interest rate adjustment as a result of redemption of own debt	--	--	--	(41)	(41)	--	--	--
Profit from Insurance liabilities settlement	--	--	--	92	92	--	--	--
Ulster Bank Rol fair value mortgage adjustment	--	--	--	(51)	(51)	--	--	--
Total notable items in Group income	224	97	(168)	(58)	95	56	288	(26)
Group income excluding notable items	2,784	3,114	3,397	3,766	13,061	3,820	3,563	3,514
	Q1'22	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23
Group operating expenses	(1,820)	(1,833)	(1,896)	(2,138)	(7,687)	(1,988)	(1,927)	(1,927)
Notable items in Operating Expenses, £m	Q1'22	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23
Litigation & Conduct	(102)	(67)	(125)	(91)	(385)	(56)	(52)	(134)
Total notable items in Group Expenses	(102)	(67)	(125)	(91)	(385)	(56)	(52)	(134)
Group operating expenses excluding notable items	(1,718)	(1,766)	(1,771)	(2,047)	(7,302)	(1,932)	(1,875)	(1,793)
Memo: Bank Levy	5	--	--	(106)	(101)	--	--	
Group Metrics	Q1'22	Q2'22	Q3'22	Q4'22	FY'22	Q1'23	Q2'23	Q3'23
Cost:income ratio – reported¹	57.1%	55.0%	54.8%	55.2%	55.5%	49.8%	48.7%	51.4%
Cost:income ratio – excluding income notable items ²	61.7%	56.7%	52.1%	54.4%	55.9%	50.6%	52.6%	51.0%
RoTE – reported	11.3%	15.2%	2.9%	20.6%	12.3%	19.8%	16.4%	14.7%
RoTE – excluding income notable items and litigation and conduct ²	10.4%	15.1%	6.8%	22.8%	13.5%	20.0%	15.7%	17.3%

1. Cost:income ratio is total costs excluding litigation and conduct, divided by total income. 2. Excludes all notable income and cost items shown in the tables above except Bank Levy which is included. 27% tax rate assumed on all notable items excluding Litigation & Conduct costs where no tax shield is assumed.

Segmental summary¹

Ulster Bank ROI continuing operations are reflected within Central Items & other



Group Q3'23, £m	Retail Banking	Private Banking	Commercial & Institutional	Central items & other	Group
Net interest income	1,334	144	1,271	(64)	2,685
Non-interest income	108	70	570	55	803
Total income	1,442	214	1,841	(9)	3,488
<i>Income ex-notable items</i>	<i>1,442</i>	<i>214</i>	<i>1,847</i>	<i>11</i>	<i>3,514</i>
Other operating expenses	(721)	(157)	(960)	45	(1,793)
Litigation and conduct	(59)	--	(52)	(23)	(134)
Operating expenses	(780)	(157)	(1,012)	22	(1,927)
Operating profit/(loss) before impairment releases/(losses)	662	57	829	13	1,561
Impairment releases/(losses)	(169)	2	(59)	(3)	(229)
Operating profit/(loss)	493	59	770	10	1,332

£bn					
Net loans to customers - amortised cost	205.2	18.8	130.5	22.8	377.3
Customer Deposits	184.5	37.2	201.8	12.4	435.9
RWA's	58.9	11.6	107.9	3.2	181.6

Return on equity / tangible equity	17.5%	11.7%	14.7%	nm	14.7%
Cost:income ratio	50.0%	73.4%	52.1%	nm	51.4%

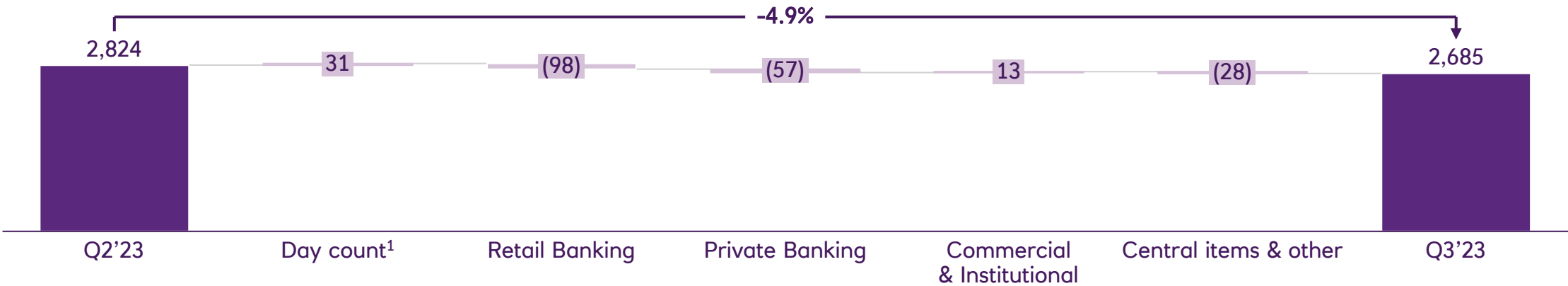
1. May not cast due to rounding.

Tangible net asset value

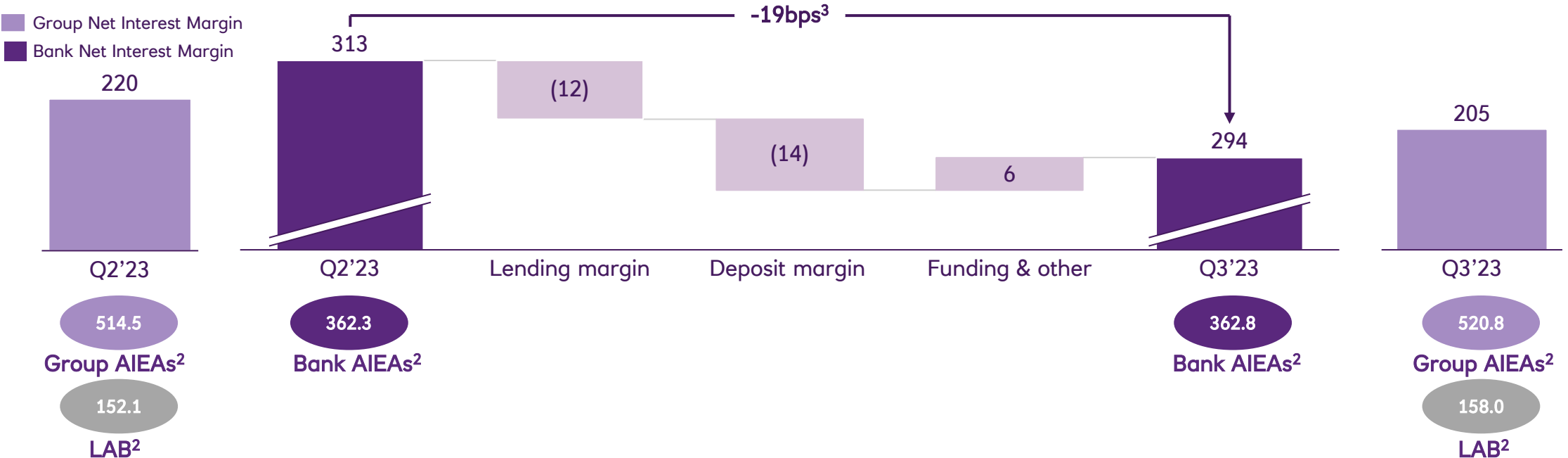
	GBP, m	Share count, m	Pence
As at 30 June 2023	23,415	8,929	262
Ordinary Interim Dividend payment (5.5p)	(491)		(5)
Attributable profit	866		10
Cash flow hedge reserve (net of tax)	377		4
On-market share buyback	(139)	(58)	0
Other movements	(13)		(0)
Net change	600	(58)	9
As at 30 September 2023	24,015	8,871	271

Net interest income and NIM in Q3'23

Net Interest Income, £m



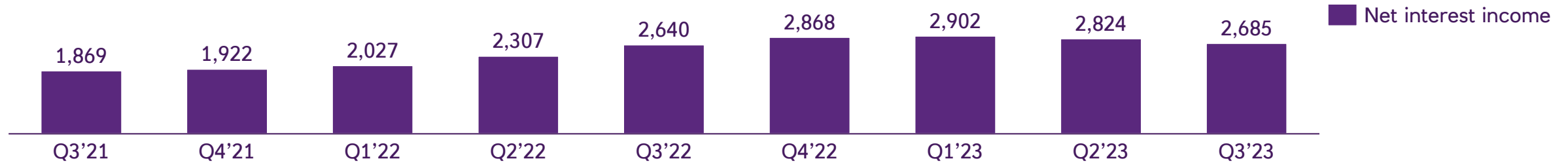
Net Interest Margin¹, bps
AIEAs, £ bn



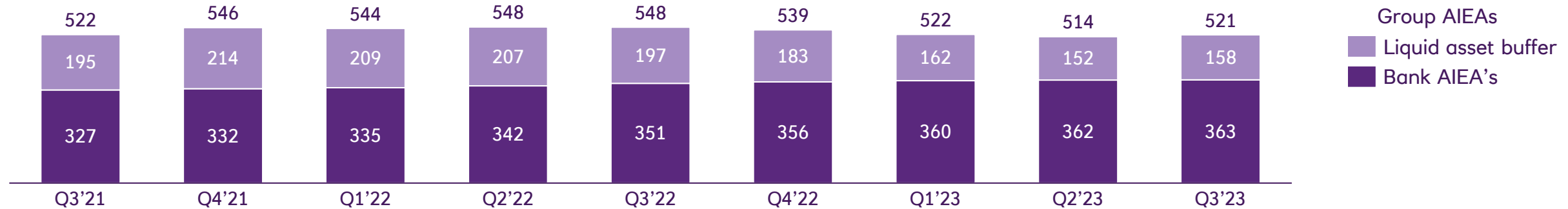
1. Adjustment for the number of days in the quarter. 2. Bank Average Interest Earning Assets (AIEAs) + Liquid Asset Buffer (LAB) = Total Group AIEAs. Group NIM = Group NII / Group AIEAs. Bank NIM = Group NII / Bank AIEAs.
3. Will not cast due to rounding.

Net Interest Income, margin and AIEAs

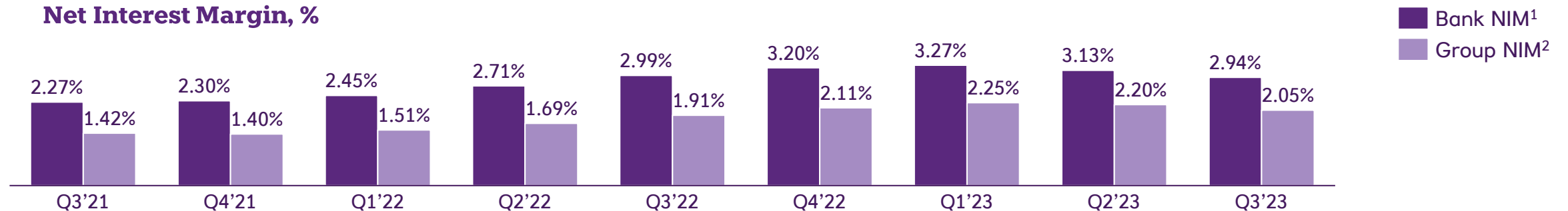
Net Interest Income, £m



Average Interest Earning Assets, £bn

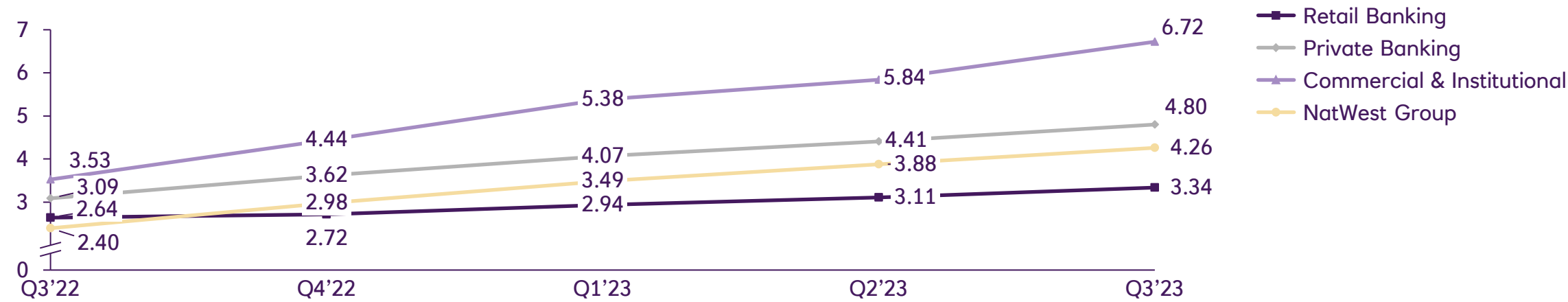


Net Interest Margin, %

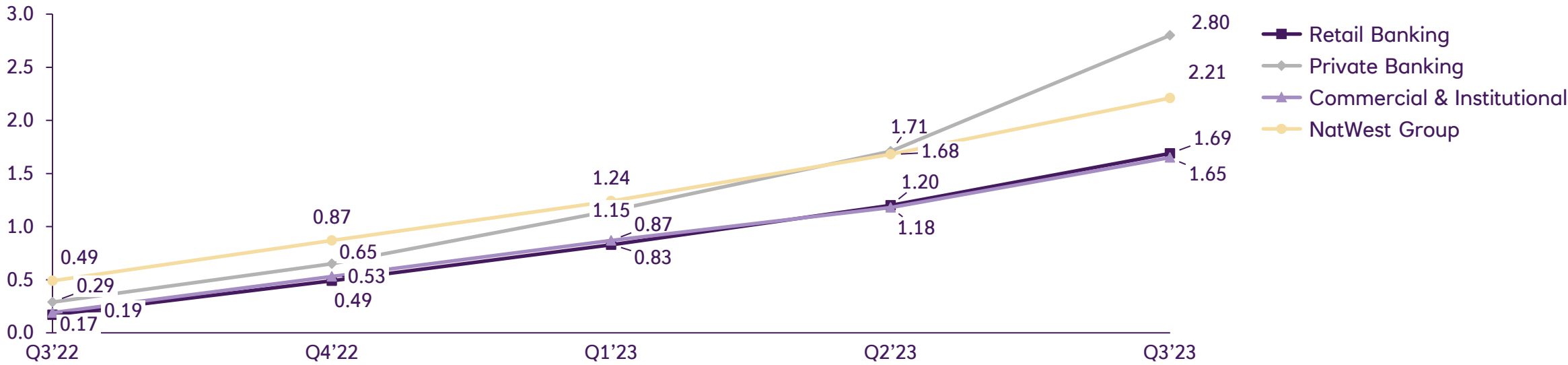


Higher interest rates are feeding through to customer lending and deposit rates

Gross yields of interest earning banking assets, %¹



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



1. For NatWest Group plc this is the gross yield on the IEAs of the banking business; for Retail, C&I 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 and Commercial & Institutional Banking it represents the third party customer funding rate which includes both interest-bearing and non-interest bearing deposits.

Structural Hedge¹

	H1 2023			
	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	204	23	22	1.83
Product	1362	202	205	1.33
Total	1,566	225	227	1.38

	H2 2022			
	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	189	23	22	1.72
Product	1118	208	206	1.08
Total	1,307	231	228	1.14

	H1 2022			
	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	182	21	21	1.71
Product	662	204	188	0.70
Total	844	225	209	0.81

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.

Interest rate sensitivity¹

Assumes constant balance sheet as at 30 June 2023

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)

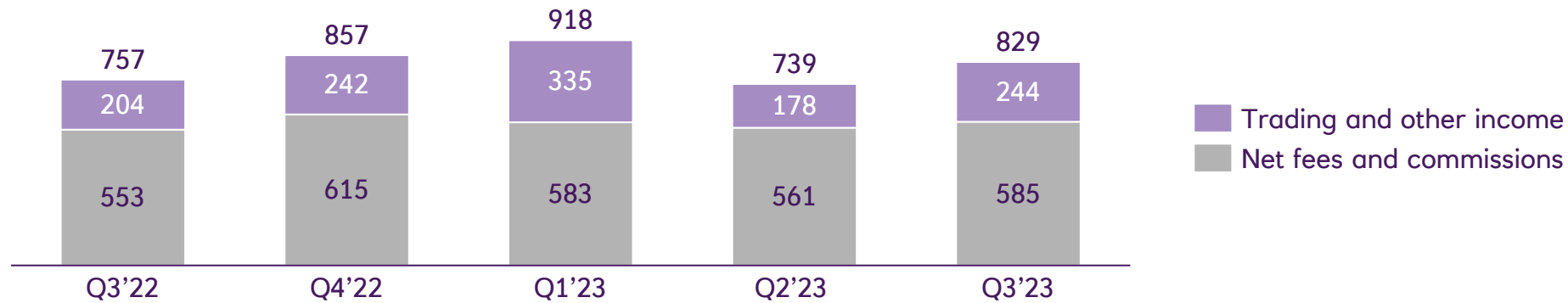
FY 2022	+25 basis points parallel upward shift			-25 basis points parallel downward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	50	158	260	(50)	(158)	(260)
Managed Margin	148	141	136	(170)	(140)	(129)
Total	198	299	396	(220)	(298)	(389)

H1 2022	+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	45	150	253	(45)	(150)	(253)
Managed Margin	231	227	223	(219)	(205)	(227)
Total	276	377	476	(264)	(355)	(480)

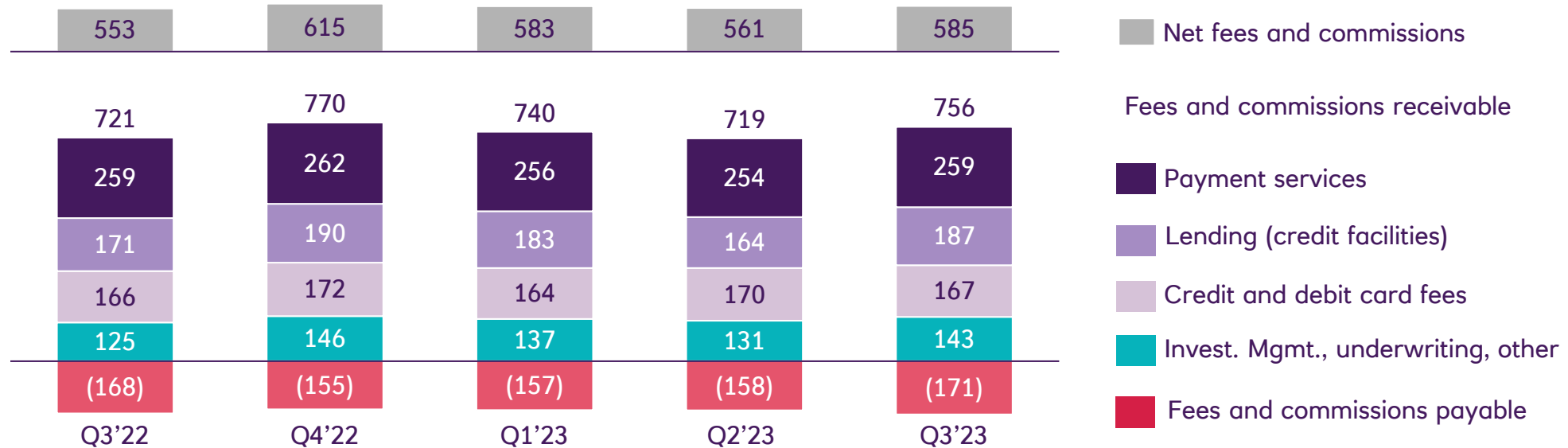
1. Page 268 of NWG FY'22 ARA, page 76 of NWG H1'22 IMS, page 73 NWG H1'23 IMS.

Non interest income

Non Interest Income¹, £m



Fees and Commissions, £m



1. Excluding relevant notable income items per slide 22.

UK Economic Assumptions¹

Our economic assumptions and weightings unchanged from H1'23

	H1'23					Q1'23 and FY'22					H1'22				
Scenario	Upside	Base Case	Downside	Extreme downside		Upside	Base Case	Downside	Extreme downside		Upside	Base Case	Downside	Extreme downside	
Weighting	19%	45%	21%	16%	Weighted average	19%	45%	21%	16%	Weighted average	21%	45%	20%	14%	Weighted average
UK GDP – Annual Growth (%)															
2023	1.4	0.3	0.0	(0.3)	0.3	2.2	(0.9)	(2.8)	(3.1)	(1.1)	2.9	0.8	(2.4)	(5.1)	(0.2)
2024	3.8	0.8	(1.4)	(4.1)	0.3	1.9	0.7	(0.4)	(1.6)	0.4	1.7	1.4	2.1	0.3	1.5
5 year - CAGR ²	1.8	0.9	0.4	(0.2)	0.8	2.2	1.3	0.8	0.4	1.2	2.3	1.6	1.3	0.5	1.5
UK Unemployment rate – annual average (%)															
2023	3.9	3.9	4.1	4.3	4.0	3.9	4.4	5.0	6.0	4.7	3.0	3.8	4.9	5.9	4.1
2024	3.3	4.2	5.1	7.3	4.7	3.9	4.9	5.7	8.4	5.4	3.3	4.0	4.8	8.7	4.7
5 year average ²	3.5	4.2	4.9	6.6	4.6	3.9	4.5	4.9	6.7	4.8	3.3	4.0	4.5	6.3	4.3
UK House Price Index – four quarter growth (%)															
2023	(3.3)	(6.9)	(6.2)	(8.2)	(6.2)	7.5	(7.8)	(13.7)	(10.4)	(6.6)	5.5	2.0	(11.7)	(20.4)	(3.0)
2024	10.4	(1.0)	(13.2)	(14.1)	(3.1)	4.5	(0.9)	(7.7)	(15.2)	(3.2)	2.9	1.9	0.4	(4.6)	1.2
5 year - CAGR ²	3.8	0.3	(0.8)	(6.0)	0.0	5.1	0.8	(0.7)	(4.4)	0.6	4.9	3.0	0.2	(1.8)	2.2
UK Commercial Real Estate Price – four quarter growth (%)															
2023	1.1	(5.8)	(7.8)	(10.7)	(5.6)	2.1	(8.4)	(19.7)	(22.4)	(11.0)	3.9	0.2	(10.8)	(27.6)	(4.6)
2024	5.5	0.5	(13.4)	(35.3)	(6.1)	1.9	(0.5)	2.8	(29.1)	(3.2)	1.4	(0.1)	4.5	8.5	1.9
5 year - CAGR ²	3.3	0.2	(2.7)	(7.6)	(0.7)	1.2	(1.9)	(2.8)	(9.1)	(2.5)	2.6	0.6	(0.3)	(2.0)	0.5
Consumer price index - four quarter growth (%)															
2023	1.6	3.4	5.5	7.0	4.0	2.2	3.7	6.0	17.0	6.0	(0.9)	1.1	8.1	13.7	3.9
2024	1.1	2.3	4.3	6.8	3.2	1.0	2.7	1.0	8.8	3.1	2.0	2.0	0.4	6.4	2.3
5 year - CAGR ²	1.7	2.3	4.2	3.7	2.8	3.6	4.2	4.4	8.2	4.8	2.9	3.1	4.1	7.4	3.9

1. Full details of the economic assumptions can be found on pages 19-22 of H1'23 IMS, pages 196 and 198 of NWG FY'22 ARA and pages 21 and 22 of NWG H1'22 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

Impairment charge/(release) by segment

	Retail Banking	Private Banking	Commercial & Institutional	Central items & other	Group
9M'23 (£m)	362	9	79	2	452
9M'23 (bps)	23bps	6bps	8bps	nm	16bps
9M'22 (£m)	142	(4)	60	(5)	193
9M'22 (bps)	10bps	(3)bps	6bps	nm	7bps

Q3'23 (£m)	169	(2)	59	3	229
Q3'23 (bps)	33bps	(4)bps	18bps	nm	24bps
Q2'23 (£m)	79	3	64	7	153
Q2'23 (bps)	15bps	6bps	20bps	nm	16bps
Q1'23 (£m)	114	8	(44)	(8)	70
Q1'23 (bps)	22bps	17bps	(13)bps	nm	7bps

Asset quality¹

Mortgage LTV distribution by stage												
	Total			Stage 1			Stage 2			Stage 3		
	FY'19	FY'22	H1'23	FY'19	FY'22	H1'23	FY'19	FY'22	H1'23	FY'19	FY'22	H1'23
≤50%	51,791	80,675	74,778	47,746	71,321	66,183	3,375	8,257	7,523	511	1,036	1,019
>50% and ≤70%	51,582	76,593	75,337	47,224	68,178	66,810	3,804	7,792	7,816	463	616	704
>70% and ≤80%	24,992	19,267	24,789	23,235	17,602	22,503	1,568	1,602	2,181	150	62	105
>80% and ≤90%	15,251	8,880	12,944	14,030	7,918	11,464	1,111	944	1,448	85	17	31
>90% and ≤100%	3,610	1,433	4,959	3,401	1,409	4,434	174	18	513	20	6	12
>100%	238	52	65	111	35	45	100	7	7	24	10	13
Total with LTVs	147,464	186,900	192,872	135,747	166,463	171,439	10,132	18,620	19,488	1,253	1,747	1,884
% of Group L&As	43.8%	49.4%	50.0%	40.3%	44.0%	44.4%	3.0%	4.9%	5.1%	0.4%	0.5%	0.5%
Total portfolio average LTV%	57%	53%	55%	57%	53%	55%	59%	52%	56%	66%	47%	49%
Commercial Real Estate (CRE) LTV distribution by stage												
	Total			Stage 1			Stage 2			Stage 3		
	FY'19	FY'22	H1'23	FY'19	FY'22	H1'23	FY'19	FY'22	H1'23	FY'19	FY'22	H1'23
≤50%	10,132	7,792	8,151	8,787	7,010	7,136	468	658	951	40	57	61
>50% and ≤70%	6,191	4,375	4,049	4,945	3,515	3,399	252	798	582	148	43	66
>70% and ≤100%	618	504	498	380	259	182	138	82	114	88	156	200
>100%	309	136	274	104	102	216	51	10	17	153	23	41
Total with LTVs	17,250	12,807	12,972	14,216	10,886	10,933	909	1,548	1,664	429	279	368
% of Group L&As	5.1%	3.4%	3.4%	4.2%	2.9%	2.8%	0.3%	0.4%	0.4%	0.1%	0.1%	0.1%
Total portfolio average LTV%	48%	47%	48%	46%	45%	47%	55%	52%	50%	101%	75%	80%
Other	2,835	2,568	2,311	658	1,800	1,703	149	627	493	123	55	51
Development	2,971	1,949	1,930	2,377	1,553	1,733	272	332	141	144	57	53
Total	23,056	17,324	17,213	17,251	14,239	14,369	1,330	2,507	2,298	696	391	472

1. Full tables available on pages 222 and 225 of NWG FY'22 ARA, pages 42 and 45 of the H1'22 IMS, pages 228 & 230 of FY'21 ARA and pages 194 & 196 of the FY'20 ARA. Note that total table numbers also include mortgages not within IFRS9 ECL scope. H1'23 IMS pages 40-43



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Group

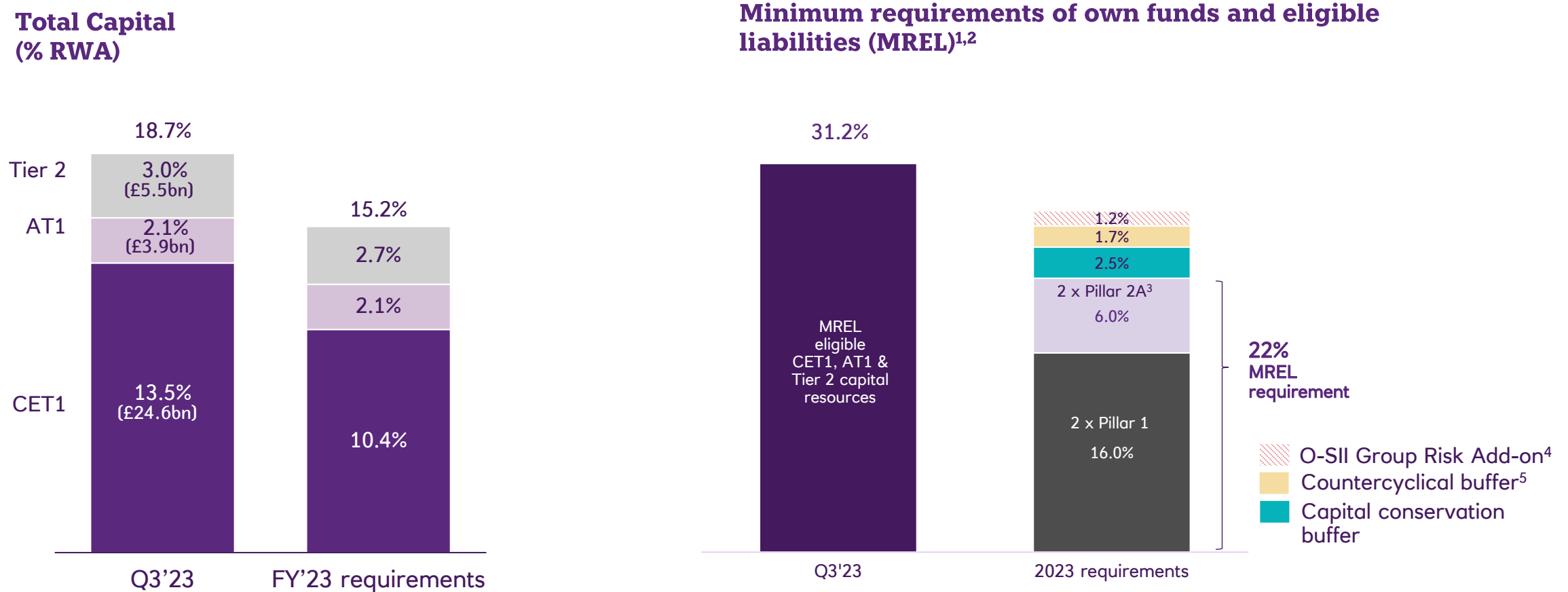
NatWest Group

Q3 2023 Results

Fixed Income Investors

27 October 2023






Total Capital and MREL resources comfortably above requirements¹



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. Note: numbers may not cast due to rounding.

Good progress against 2023 wholesale funding plan¹

Across multiple currencies and tenors

		2023 guidance	2023 actual ²					
NatWest Group plc (HoldCo)	Senior unsecured (MREL)	£3bn to £5bn	~£4bn	<ul style="list-style-type: none"> • \$1bn 4NC3 • \$1bn 11NC10 • \$1.25bn 6.25NC5.25 	<ul style="list-style-type: none"> • €500m 5NC4 Social bond • €1bn 5.75NC4.75 Benchmark 	-	-	
	Tier 2 capital	Up to £1bn	~£600m	-	• €700m 11NC6	-	-	
NatWest Markets Plc (OpCo)	Senior unsecured (non-MREL) public benchmark issuance	£3bn to £5bn	~£2.4bn	-	<ul style="list-style-type: none"> • €750m 3yr FRN • €750m 5yr FXD 	• £500m 3yr Benchmark	• CHF 250m 5yr	<ul style="list-style-type: none"> • \$400m 5yr FXD • \$200m 5yr FRN

1. Includes primary/benchmark transactions only. Does not include private placements. 2. 2023 YTD issuance as at 30th September 2023

Credit ratings

S&P long-term issuer rating action in 2023:

- NatWest Group plc long-term issuer ratings now rated BBB+ from BBB
- Core operating subsidiaries within the ring-fenced bank now rated A+ from A
- Other operating subsidiaries in the non ring-fenced bank now rated A from A-.

	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
Ulster Bank Ireland DAC	A1/Sta ¹	A/Sta	BBB+/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 ¹	A/Sta	A/Sta

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.

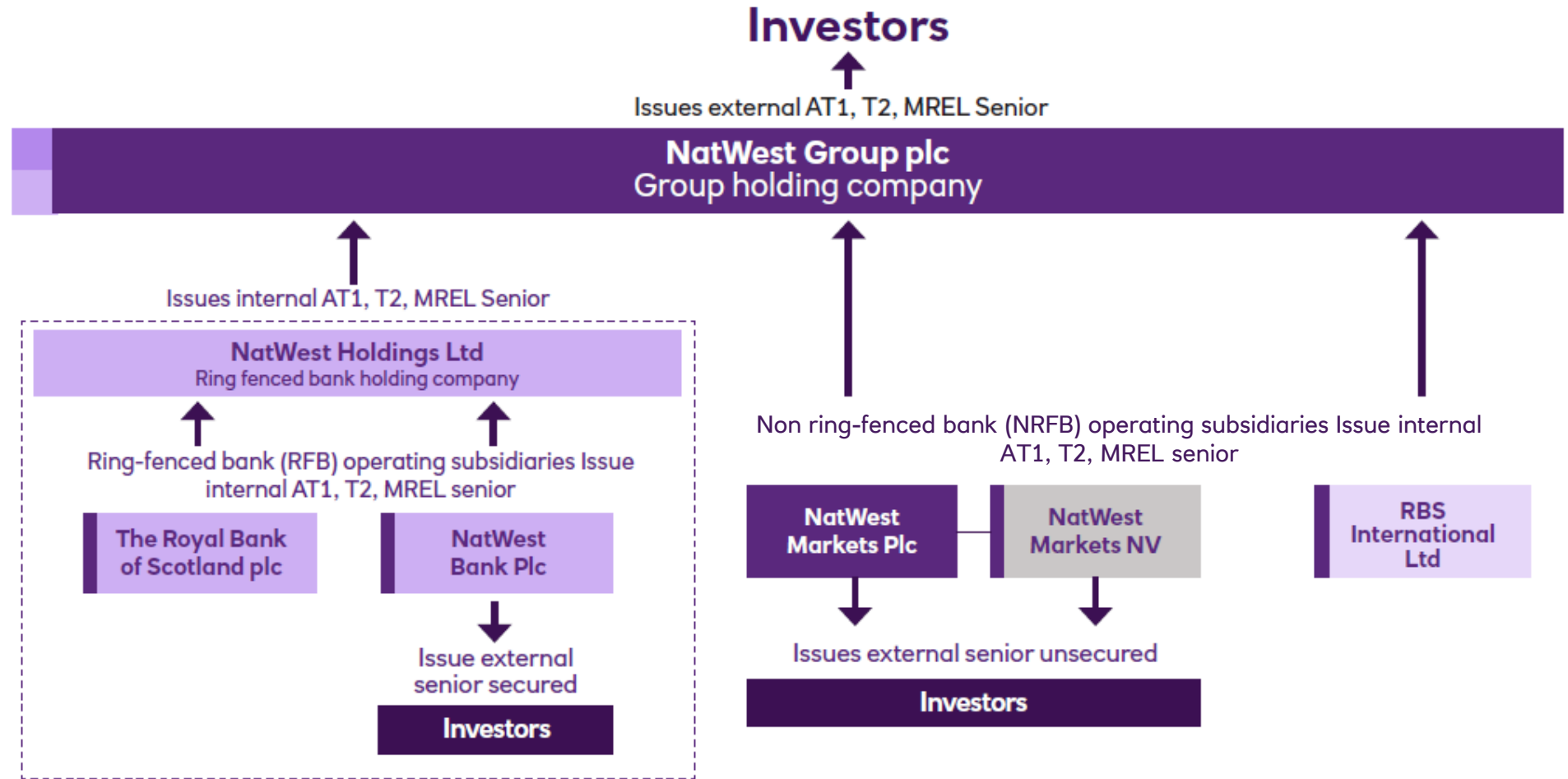
Issuing entity structure

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.



Cautionary and Forward-looking statements

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 2022 Annual Report and Accounts, the Risk Factors in the NWM 2022 Annual Report and Accounts, and the Summary Risk Factors in the NWG H1 2023 Interim Results and the NWM Plc H1 2023 Interim Results.

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), 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 ESG-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 purpose-led strategy and other strategic priorities (including in relation to: phased withdrawal from ROI, cost-controlling measures, the creation of the C&I franchise and the progression towards working as One Bank across NatWest Group to serve customers); 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 (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, the Summary Risk Factors in the Natwest Group plc’s H1 IMS, 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/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 high inflation and rising interest rates, supply chain disruption and the Russian invasion of Ukraine); changes in interest rates and foreign currency exchange rates; uncertainty regarding the effects of Brexit; and HM Treasury’s ownership as the largest shareholder of NatWest Group plc); strategic risk (including in respect of the implementation of NatWest Group’s purpose-led strategy; future acquisitions and divestments; 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; prudential regulatory requirements for capital and MREL; liquidity and funding risks; 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 change 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; 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; the transition of LIBOR other IBOR rates to replacement risk-free rates; and changes in tax legislation or failure to generate future taxable profits).

Climate and ESG disclosures

Climate and ESG disclosures in this document are not measures within the scope of International Financial Reporting Standards (‘IFRS’), use a greater number and level of judgements, 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 judgements, assumptions and estimates are highly likely to change 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 ESG 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 ESG related metrics. As a result, we expect that certain climate and ESG 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 2022 Climate-related Disclosures Report.

Cautionary statement regarding Non-IFRS financial measures and APMs

NatWest Group prepares its financial statements in accordance with generally accepted accounting principles (GAAP). 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