NatWest Group plc
Investor Factbook
Q1 Results 2023

NatWest Group

Our purpose-led strategy is delivering

We will continue to build on our strategy, amplifying our approach in a number of growth areas.

Sustainable medium term Group Targets

RoTE

Continue to target a sustainable RoTE of 14–16%

Cost:Income Ratio

Expect to deliver a cost:income ratio[1] <50%, excluding litigation and conduct costs, by 2025

Capital

Expect to continue to generate and return significant capital via ordinary dividends and buybacks to shareholders whilst operating with a CET1 ratio in the range of 13-14%

Payout

Expect to pay ordinary dividends of 40% of attributable profit and maintain capacity to participate in directed buybacks

1. Cost:Income ratio is total Group income and costs, excluding litigation and conduct.

Our Purpose

We champion potential, helping people, families and businesses to thrive.

Climate | Enterprise | Learning

Our Strategy

- Supporting customers at every stage of their lives
- Powered by partnerships and innovation
- Simple to deal with
- Sharpened capital allocation

Our Focus for Growth

- Delivering personalised solutions throughout our customers' lifecycle
- Supporting our customers' sustainability transitions
- Embedding our services in our customers' digital lives

Strong Q1 2023 performance

Strong earnings and returns	**£1.8bn** **Operating profit before tax** vs £1.2bn in Q1'22	**£1.3bn** **Attributable profit** vs £0.8bn in Q1'22	**19.8%** **Return on Tangible Equity** vs 11.3% in Q1'22
Focused on growth, efficiency and operating leverage	**+37.2%** **Income ex notable items[1]** +~£1bn vs Q1'22	**+£214m** **Other operating expenses** vs Q1'22, of which ~£60m one-off cost of living payment	**49.8%** **Cost to Income ratio[2]** vs 57.1% in Q1'22
Strong capital generation and distributions	**14.4%** **CET1 ratio** up 20bps versus Q4'22	**£0.5bn** **29bps ordinary dividend** accrual for committed 40% payout ratio	**£458m** **of £800m on-market buyback** completed[3]

1. Total income excluding notable items. 2. Cost:Income ratio is total Group income and costs, excluding litigation and conduct. 3. On-market buyback announced 17 February 2023, £458m completed as at 26 April 2023.

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, as well as the Risk Factors in the NWM 2022 Annual Report and Accounts. These statements constitute forward-looking statements.

Our purpose-led strategy is delivering

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

Group Q1'23, £bn	Retail Banking	Private Banking	Commercial & Institutional	Central items & other	Group
Net interest income	1.5	0.2	1.3	(0.1)	2.9
Non-interest income	0.1	0.1	0.7	0.1	1.0
Total income	**1.6**	**0.3**	**2.0**	**0.0**	**3.9**
Income ex-notable items	***1.6***	***0.3***	***1.9***	***(0.0)***	**3.8**
Other operating expenses	(0.7)	(0.2)	(1.0)	(0.1)	(1.9)
Litigation and conduct	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)
Operating expenses	**(0.7)**	**(0.2)**	**(1.0)**	**(0.1)**	(2.0)
Operating profit/(loss) before impairment releases/(losses)	**0.9**	**0.1**	**1.0**	**(0.1)**	**1.9**
Impairment releases/(losses)	(0.1)	(0.0)	0.0	0.0	**(0.1)**
Operating profit/(loss)	**0.8**	**0.1**	**1.0**	**(0.1)**	**1.8**
Net loans to customers – amortised cost	201.7	**19.2**	**131.5**	**21.8**	**374.2**
Customer Deposits	184.0	**37.3**	**200.5**	**8.7**	**430.5**
RWA's	55.6	**11.4**	**104.8**	**6.3**	**178.1**
Return on equity / tangible equity	30.0%	**28.5%**	**19.5%**	**n.m.**	**19.8%**
Cost: income ratio[1]	43.2%	**51.4%**	**49.1%**	**n.m.**	**49.8%**

Note: May not cast due to rounding. 1. Cost:Income ratio is total Group income and costs, excluding litigation and conduct.

We have built an all-weather balance sheet, supporting our customers

Strong funding, deposits and liquidity profile

83%
Loan to deposit ratio £53bn surplus deposits

~£422bn
Customer Deposits[1] down £11bn vs Q4'22

139%
Liquidity Coverage Ratio £43bn headroom

Our loan book is performing well

7bps
loan impairment rate in Q1'23

2bps
Stage 3 impairment rate in Q1'23

0.89%
ECL coverage including 35% Stage 3 Coverage

Diversified and high quality loan book

~5%
Top 10 customers[2] as % of wholesale loans

<5%
Commercial Real Estate as % of customer loans

93%
Personal lending secured

Supporting our customers

£5.7bn
Lending growth[3] up 1.6% versus Q4'22

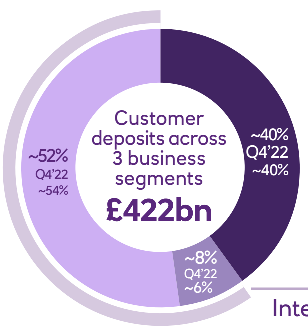
~17%
Mortgage flow share[4] versus 15% in Q4'22

€500m
Social bond issued linked to women-led enterprises[5]

1. Total deposits across the three business segments – Retail, Private and Commercial & Institutional. 2. Loans to top 10 customers – drawn exposure 3. Total lending growth across the three business segments – Retail, Private and Commercial & Institutional. 4. Reflects gross new lending completed in the quarter in Retail Banking and Private Banking year to 28 Feb 2023 (latest available Bank of England data) 5. The intention of NWG is to use an amount equal to the net proceeds of the bond to finance and/or refinance lending to the following businesses identified as women-led: women sole traders, unincorporated partnerships where the majority of partners are women, and limited liability partnerships or companies that are small and medium sized enterprises ("SMEs" as defined in the Companies Act 2006) and where at least 51% of the ownership belongs to women.

We are managing deposits for income and liquidity value

Deposit mix by interest type as at Q1 2023, %

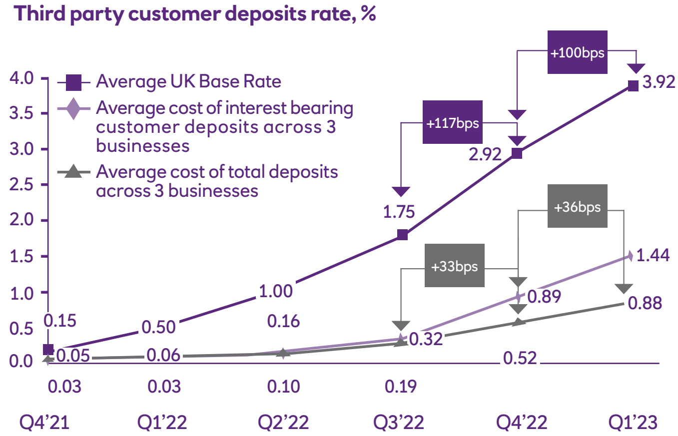


- Non-interest bearing deposit mix broadly stable
- ~40% of our deposits are insured

Interest bearing balances ~60%

■ Non interest bearing balances ■ Term deposits ■ Instant Access

Third party customer deposits rate, %



2023 GUIDANCE

Total Income[1]	Other operating costs	Cost:Income ratio (ex litigation & conduct)	Loan impairment rate	RoTE
~£14.8bn NIM[1]: ~3.20%	**~£7.6bn**	**<52%**	**20–30bps**	**14–16%**

1. Assumes UK Base Rate of 4.25% through the remainder of 2023.

Drive targeted growth across the Group

Delivering personalised solutions across customers' lifecycles	Supporting customers' sustainability transitions	Embedding our services in our customers' digital lives
• **Retail –** youth flow share has increased to 18.1%[1], with 19% more youth accounts vs Q4'22 • **Private –** Q1 Net New Money doubled to £0.6bn vs Q4'22, 7.3% annualised growth vs opening AUMA • **C&I –** leading 16.4%[2] share of new enterprises with 9% more account openings[3] vs Q4'22	• **Delivered –** £40.2bn of CSFF vs our £100bn 2025 target[4] – including **£1.3bn** lending to EPC A+B properties vs our intention to make available at least **£10bn**[5]	• **93%** of Retail customers' needs met digitally • **64%** of Retail customers bank entirely digitally • Entry to **whole of market** for credit cards supported increased share to **7.2%** in **Q1'23** from **6.9%**[6]

Deliver medium term sustainable RoTE of 14 – 16%

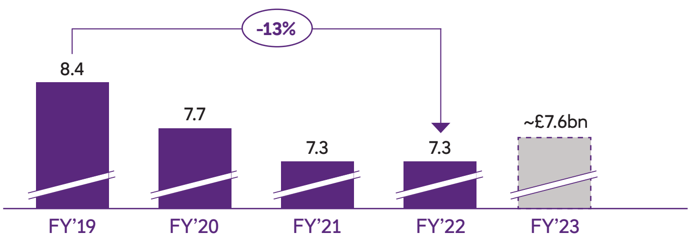
1. As at Jan'23 (latest available), source CACI flow share of 11-17 with Rooster 11+ overlay (12 months rolling). 2. Based on the % of businesses, less than 2 years old, that name a NatWest Group brand as their main bank. Compared to other banks with a presence on the high street. Source: MarketVue Business Banking from Savanta at Q4 2022 (latest available data). This is a survey of 791 start-ups across Great Britain. Excludes businesses using personal bank accounts 3. Across Business Banking and Mettle, account opens in Q1'23 vs Q4'22. This is a survey of 791 start ups across Great Britain. Excludes businesses using personal bank accounts 3. Across Business Banking and Mettle, account opens in Q1'23 vs Q4'22. 4. Climate and Sustainable Funding and Financing, between 1 July 2021 and the end of 2025. 5. As part of our existing £100bn Climate and Sustainable Funding and Financing target and covers period from 1 January 2023 to the end of December 2025. 6. Credit card market share 7.2% as at 28 February 2023 (latest available Bank of England data).

Maintain expense and investment discipline

We target further efficiency improvements

Other operating expenses, £ billion

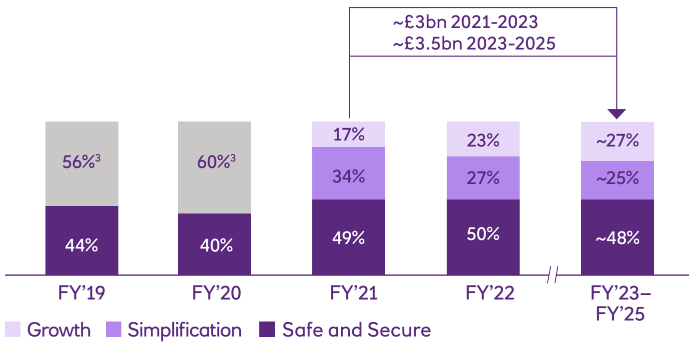
Cost:Income ratio[1]				FY23 target	Medium-term target
60%[2]	74%	70%	56%	<52%	<50%



1. Cost:Income ratio is total Group income and costs, excluding litigation and conduct.
2. FY'19 cost income ratio benefited from FX recycling gains through income following Alawwal bank merger.
3. 2019/20 relates to all discretionary spend.

Our investment spend will increasingly focus on growth

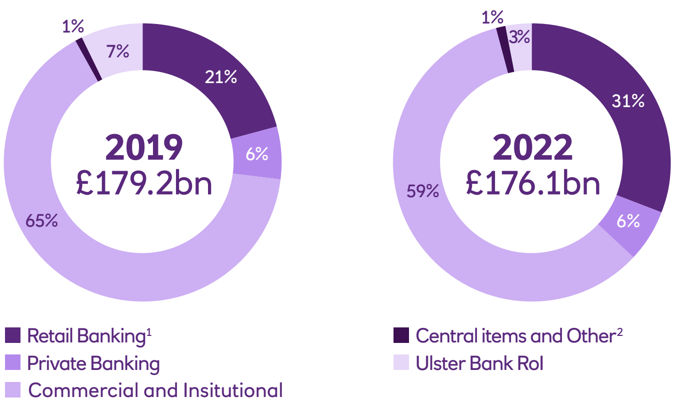
Cash investment spend, £ billion, %



Effective capital deployment: maintaining pay-out ratio of 40%

Optimising capital allocation across the group

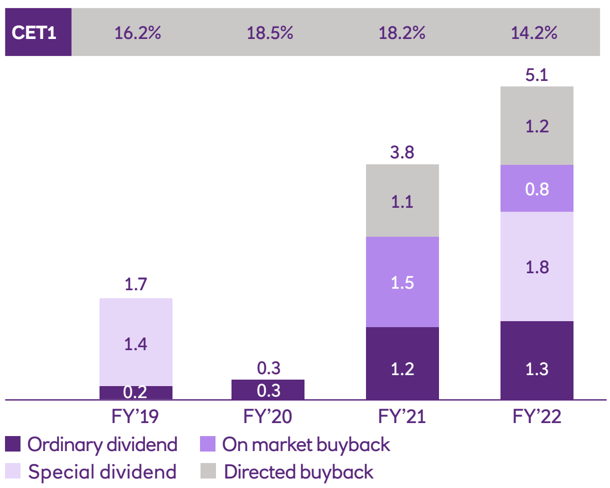
RWAs by franchise 2019 versus 2022, %



1. Retail Banking RWAs increased by £14.8bn due to regulatory changes on 1 Jan 2022.
2. Central items and Other in 2022 includes £5.4bn of remaining Ulster Bank RoI RWAs.

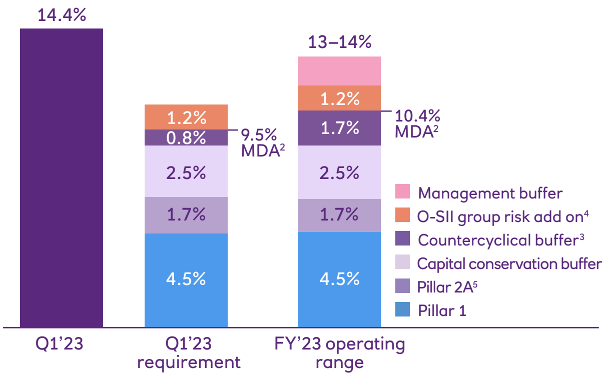
£10.9bn shareholder distributions 2019-2022

Paid and accrued, £ billion

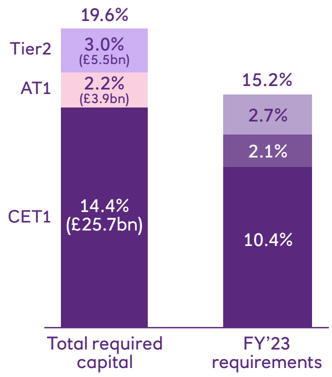


Strong capital and liquidity positions provide flexibility

CET1 capital (% RWA)[1,2]

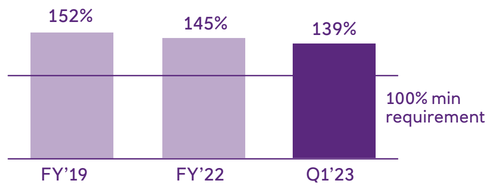


Total Capital (% RWA)



Liquidity coverage ratio (LCR) as at Q1 2023 Headroom of £43.4bn

- **12-month average LCR 151%**
- **TFSME £12.0bn:** ~£4bn due for repayment in 2025, ~£8bn in 2027
- 81% of our primary liquidity portfolio in cash and balances at central banks



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 S II 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 revi ew. 56.25% of the total Pillar 2A requirement must be met from CET1 capital.

Credit ratings[1]	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*	A+/Sta	A+/Sta
NatWest Bank Europe GMBH	NR	A+/Sta	A+/Sta
Royal Bank of Scotland plc	A1/Sta*	A+/Sta	A+/Sta
Ulster Bank Ireland DAC	A1/Sta*	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*	A/Sta	A/Sta

1. Long-term ratings (Senior Unsecured Debt and/or Deposit Ratings for Moody's, Issuer Credit Rating for S&P, Long-Term Issuer Default Rating for Fitch). Ratings as of 28/04/23 following S&P upgrade.
* Moody's long-term Deposit Rating. The ring-fenced bank operating companies do not issue rated senior unsecured debt. Nevertheless Moody's assign an Issuer Rating and the outlook was changed to Negative from Stable on 25/10/22 after the Moody's UK Sovereign Rating outlook was changed to Negative from Stable.

ESG Rating[1]	Scale:	2019:	2020:	2021:	December 2022
MSCI	AAA to CCC	BBB	▲ AA	AA	AA

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Legal entity issuing structure