NatWest Group Q2 2023 Results

Fixed Income Investors

28 July 2023

Katie Murray
Chief Financial Officer

Strong H1 2023 performance

Strong earnings and returns	**£3.6bn** Operating profit before tax vs £2.6bn in H1'22	**£2.3bn** Attributable profit vs £1.9bn in H1'22	**18.2%** Return on Tangible Equity vs 13.1% in H1'22
Focused on growth, efficiency and operating leverage	**£7.4bn** Income ex notable items[1] +~£1.5bn vs H1'22	**£3.8bn** Other operating expenses + £323m[2] vs H1'22	**49.3%** Cost to Income ratio[3] vs 56.0% in H1'22
Strong capital generation and £2.5bn distributions[4]	**£0.5bn** Interim dividend announced 5.5p per share up from 3.5p for H1'22	**£1.8bn** Buybacks £1.3bn DBB[5] and £500m new on-market buyback	**13.5%** CET1 ratio vs 14.2% at FY'22, incl. **£0.3bn accrual towards final dividend**

1. Total income excluding notable items. 2. Of which ~£60m one-off cost of living payment 3. Cost:income ratio is total costs excluding litigation and conduct, divided by total income. 51.6% excluding income from notable items 4. £2.5bn includes £1.8bn buybacks, £0.5bn interim dividend and £0.3bn accrual for final dividend, does not cast due to rounding. 5. Directed buyback

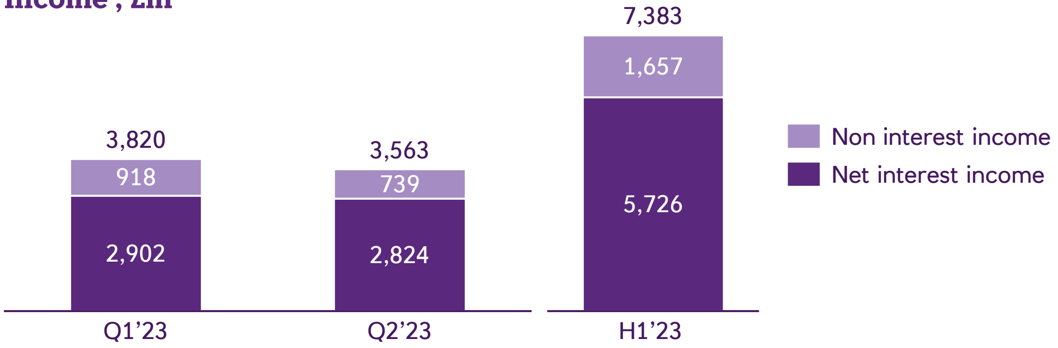
Strong Q2'23 operating performance

Group, £m	Q2'23	Q1'23	Q2'23 vs Q1'23	H1'23	H1'22	H1'23 vs H1'22
Net interest income, ex notable items[1]	2,824	2,902	(2.7%)	5,726	4,334	32.1%
Non-interest income, ex notable items[1]	739	918	(19.5%)	1,657	1,564	5.9%
Total income, ex notable items[1]	**3,563**	**3,820**	**(6.7%)**	**7,383**	**5,898**	**25.2%**
Total income	**3,851**	**3,876**	**(0.6%)**	**7,727**	**6,219**	**24.2%**
Other operating expenses	(1,875)	(1,932)	(3.0%)	(3,807)	(3,484)	9.3%
Litigation and conduct costs	(52)	(56)	(7.1%)	(108)	(169)	(36.1%)
Operating expenses	**(1,927)**	**(1,988)**	**(3.1%)**	**(3,915)**	**(3,653)**	**7.2%**
Operating profit before impairments	**1,924**	**1,888**	**1.9%**	**3,812**	**2,566**	**48.6%**
Impairment (losses)/releases	(153)	(70)	118.6%	(223)	54	nm
Loan impairment rate	16bps	7bps	9bps	12bps	(3bps)	15bps
Operating profit	**1,771**	**1,818**	**(2.6%)**	**3,589**	**2,620**	**37.0%**
Attributable profit, £m	**1,020**	**1,279**	**(20.3%)**	**2,299**	**1,891**	**21.6%**
Return on Tangible Equity	**16.4%**	**19.8%**	**(3)ppts**	**18.2%**	**13.1%**	**5ppts**
Cost to Income Ratio	**48.7%**	**49.8%**	**(1)ppts**	**49.3%**	**56.0%**	**(7)ppts**

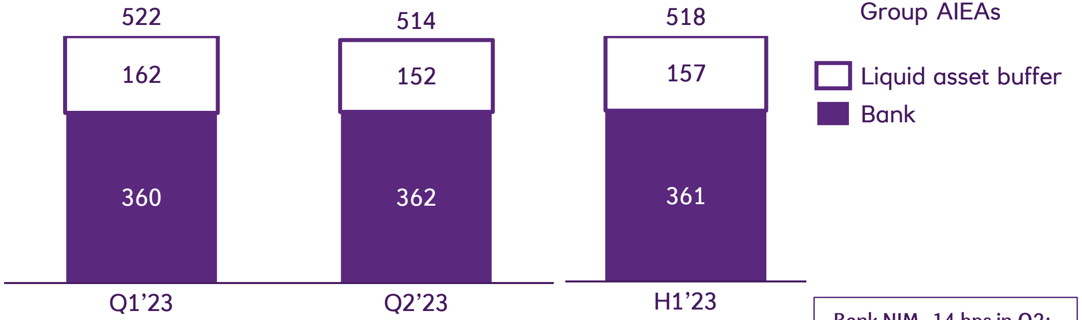
1. This line excludes notable income items.

Income on track to meet guidance

Income[1], £m



Average Interest Earning Assets, £bn



	Q1'23	Q2'23	H1'23
Bank NIM	3.27%	3.13%	3.20%
Group NIM	2.25%	2.20%	2.23%

Bank NIM -14 bps in Q2:
Lending margins -9bps
Deposit margins -5bps

Income

- Net interest income reduction reflects lower mortgage income and higher cost of deposits
- Non–interest income reduction reflects lower markets income following strong Q1 performance

Net interest margin and volume

- Bank AIEAs higher due to lending growth
- LAB AIEAs lower due to lower customer funding surplus
- NIM reduction reflects mortgage pressure, higher cost of deposits from mix shift and increasing passthrough

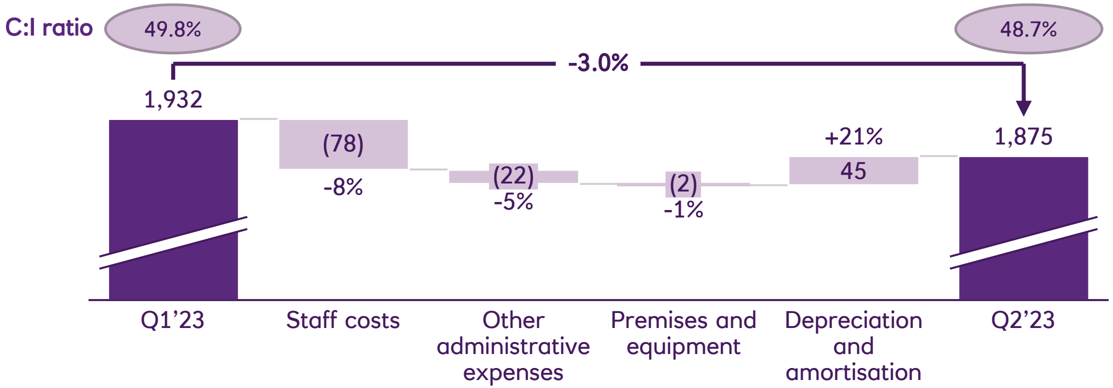
Guidance

- FY'23 income around £14.8bn[1]
- FY'23 Bank NIM around 3.15%
- Assumes UK Base Rate peak of 5.50% in Q3'23

1. Excluding relevant notable income items.

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

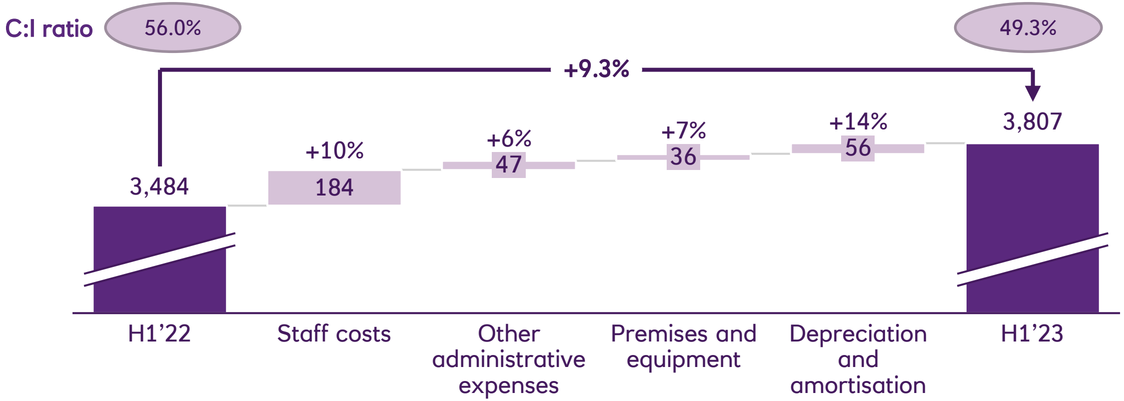
Other operating expenses Q2’23 vs Q1’23, £m



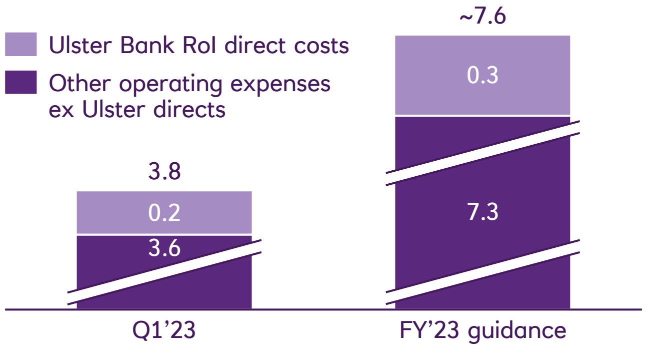
H1’23 cost drivers

- 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

Other operating expenses H1’23 vs H1’22, £m

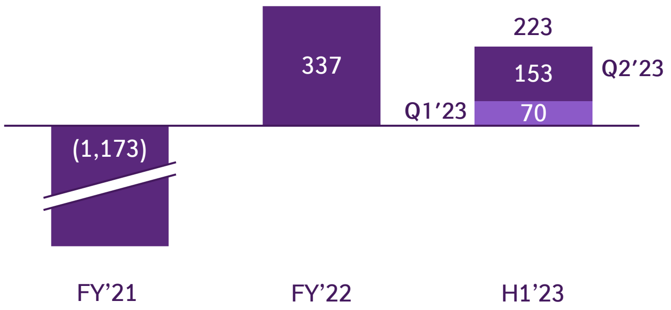


Progress versus cost guidance, £bn

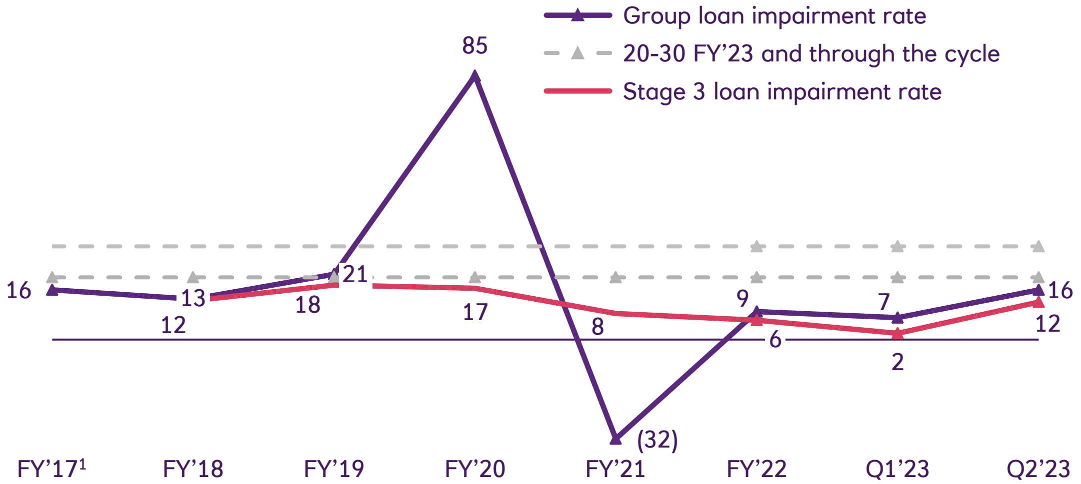


Our impairment guidance remains unchanged at 20-30bps

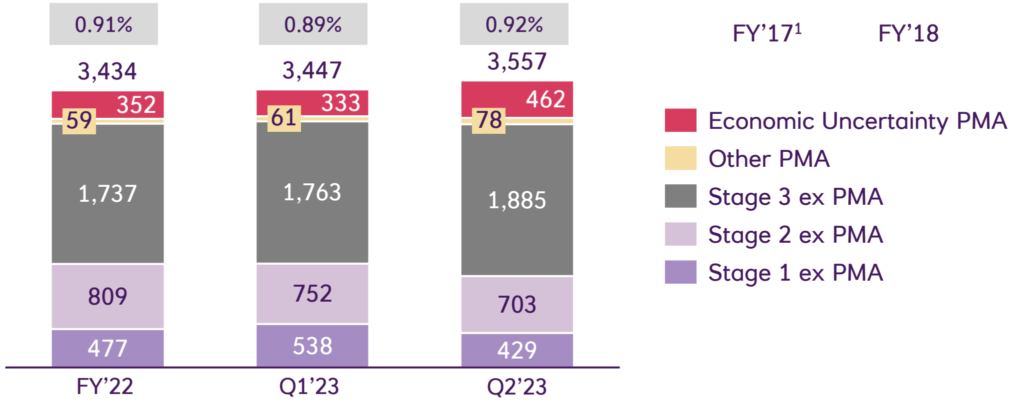
Impairment charge / (release), £m



History of loan impairment rates, bps



Group ECL provisions, £bn, and coverage



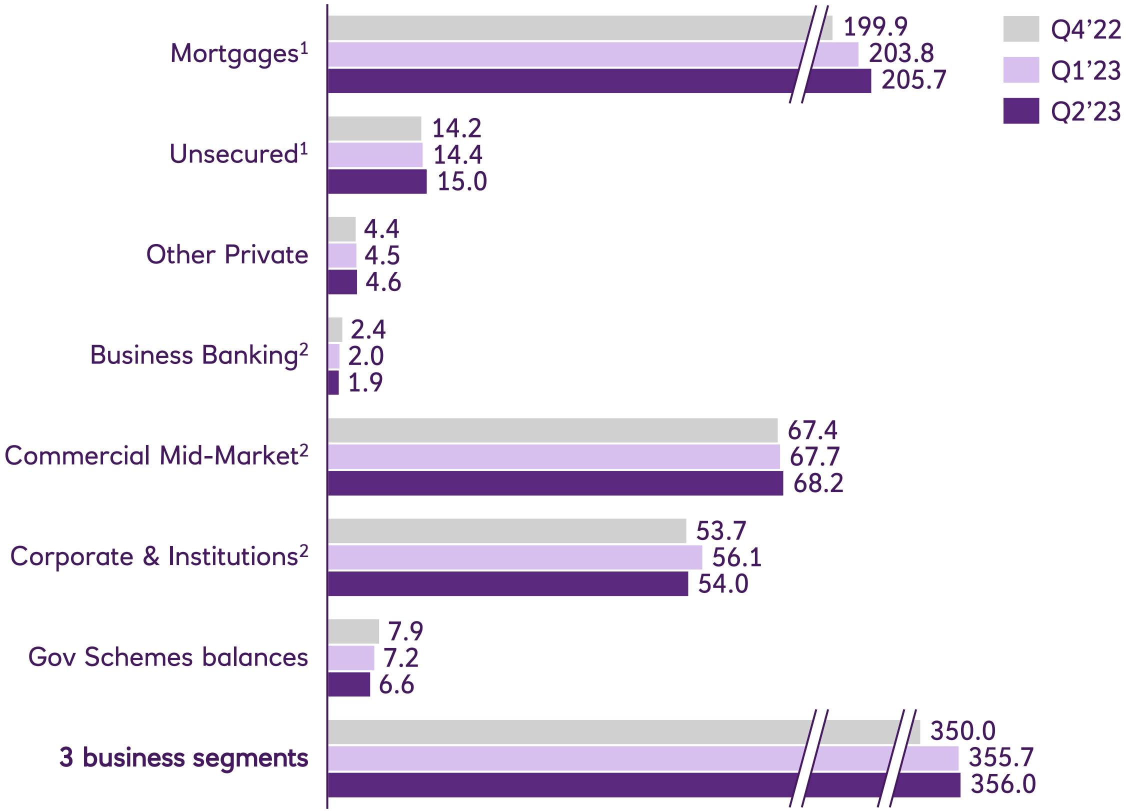
Movement in ECL provision in Q2'23

- Small improvement in macroeconomic assumptions and upside weightings led to ECL reduction of £98m
- Excluding economics update, ECL increased by ~£210m, this was driven by Economic uncertainty PMA increase of £129m to £462m

1. 2017 did not have IFRS 9 staging disclosure

Further loan growth in target segments

Gross loans to customers (amortised cost) at Q2'23, £bn



We are increasing share in targeted areas

Mortgages
12.6% stock share
+0.3% YTD[3]

Credit Cards
7.5% stock share
+0.6% YTD[4]

CSFF
£48.6bn contribution
since July'21[5]

1. Across Retail and Private Banking 2. All sub-segments in Commercial & Institutional are ex government schemes 3. 12.6% in Q2'23 vs 12.3% in Q4'22, based on May BOE data. 4. 7.5% in Q2'23 vs 6.9% in Q4'22, based on May BOE data. 5. Climate and sustainable funding and financing between 1 July 2021 and the end of 2025.

Well diversified, high-quality loan book

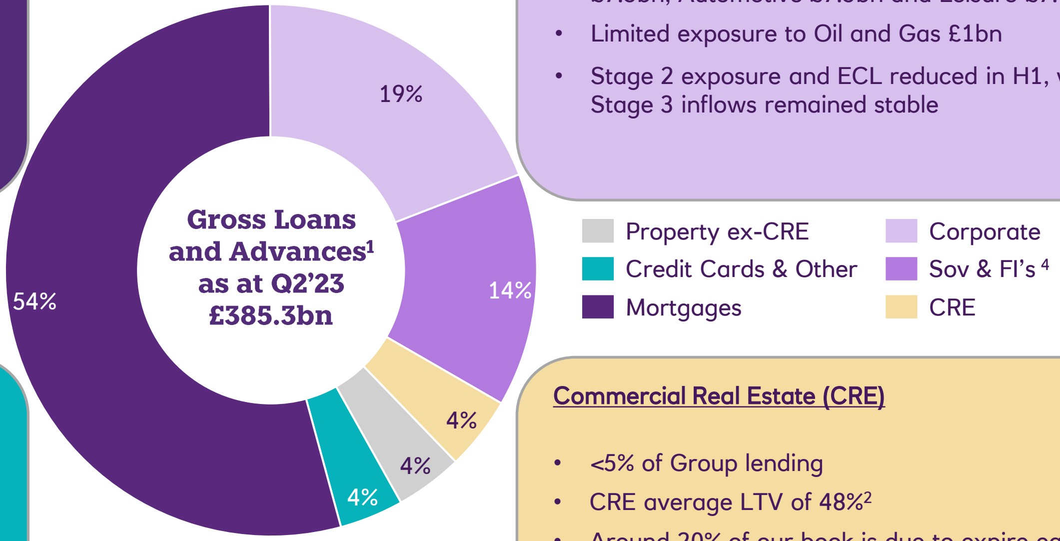
Arrears levels remain broadly stable

Mortgages

- Mortgage LTV of 55%[2]
- Balances: 67% 5Y, 23% 2Y, 1% 10Y, 5% Tracker, 4% SVR
- £24.7bn or ~13.1% of fixed book expire by end of 2023.
- Arrears levels stabilised at pre-Covid levels

Corporate

- Diversified £74bn corporate loan book
- Low exposure to in focus areas such as Retail £7.5bn, Automotive £7.5bn and Leisure £7.4bn
- Limited exposure to Oil and Gas £1bn
- Stage 2 exposure and ECL reduced in H1, with Stage 3 inflows remained stable



Credit cards and other unsecured

- <4% of Group Loans
- Difficulty to pay[3] indicators remained broadly stable and do not show any adverse trends
- Cards arrears stabilised at pre-Covid levels, and the inflows remain low
- Credit quality of new business written in H1 improved

Commercial Real Estate (CRE)

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

1. Loans at amortised cost and FVOCI. 2. Total portfolio average LTV% as at Q2'23. 3. Such as customers switching to minimum credit cards payments. 4. Sovereigns and Financial Institutions. 5. Either to be repaid fully or refinanced

Donal Quaid
Treasurer

Strong capital, MREL and leverage positions

Capital and leverage

13.5% CET1 ratio	18.8% Total capital ratio	31.2% MREL ratio	5.0% UK leverage ratio	£177.5bn Risk weighted assets

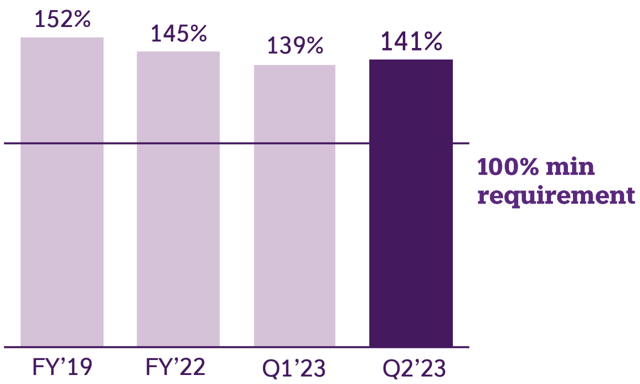
Robust liquidity and diversified funding

Liquidity and funding

141% Liquidity coverage ratio	138% Net stable funding ratio	83% Loan to deposit ratio (ex repos and reverse repos)	£432.5bn Customer deposits	£81bn Wholesale funding

Strong liquidity portfolio and key metrics

Liquidity coverage ratio (LCR) as at Q2 2023
Headroom of £45bn

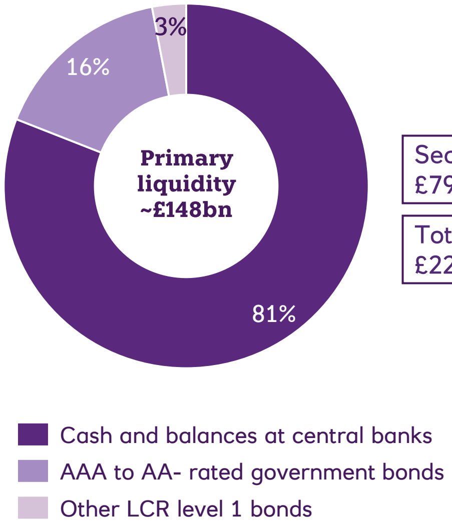


12-month average LCR 145%[1]

Net Stable Funding Ratio 138%

TFSME £12bn
~£4bn due for repayment in 2025,
~£8bn in 2027

Primary liquidity portfolio composition as at Q2 2023, £bn



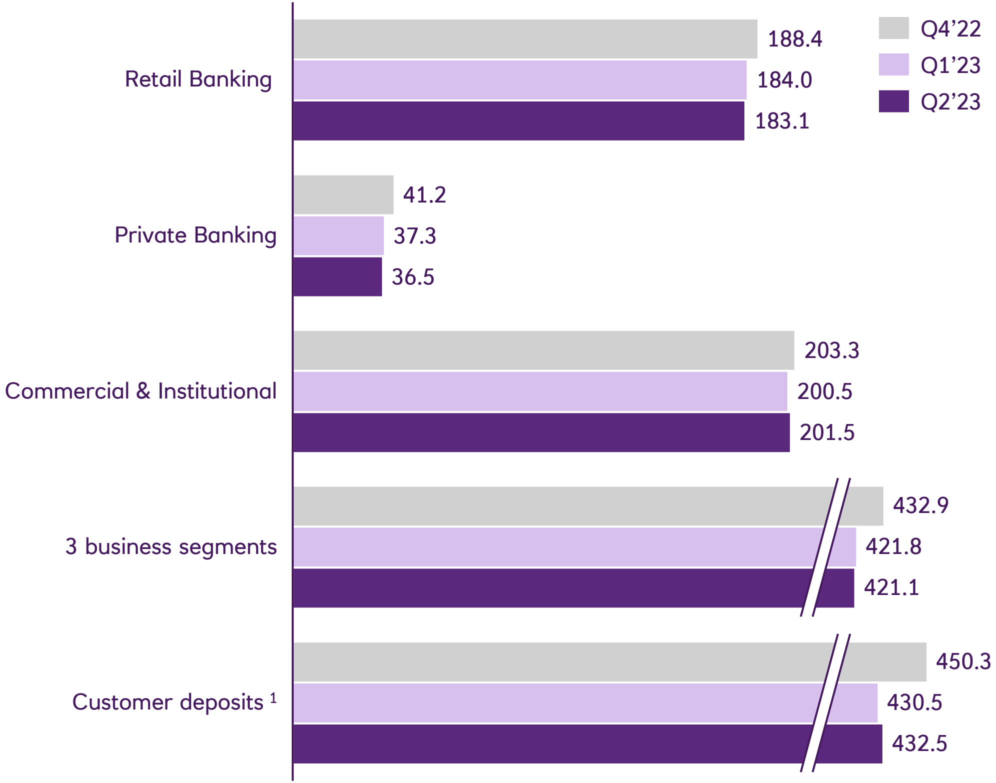
Secondary liquidity £79bn

Total liquidity value £227bn

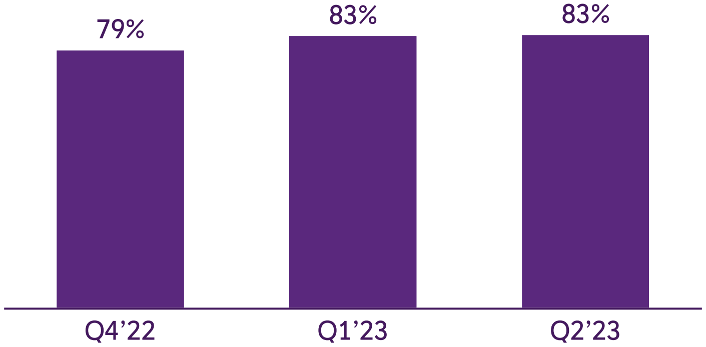
1. The Liquidity coverage ratio (LCR) is calculated as the simple average of the preceding 12 monthly periods ending on the quarterly reporting date.

Robust deposit funding - balances stable in Q2'23

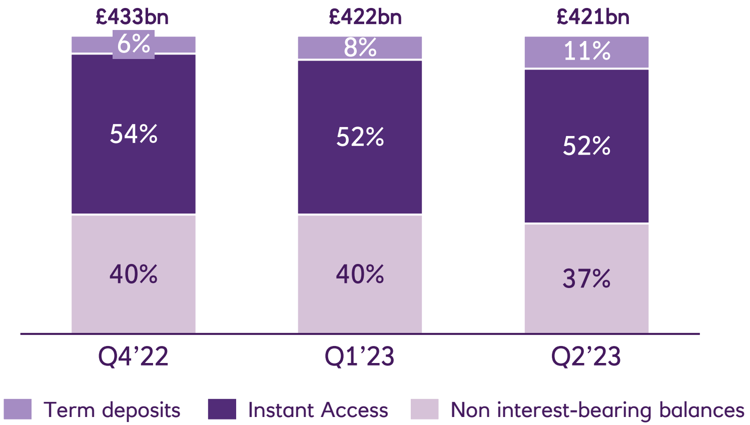
Customer deposits



Strong Loan Deposit Ratio (LDR) supporting growth



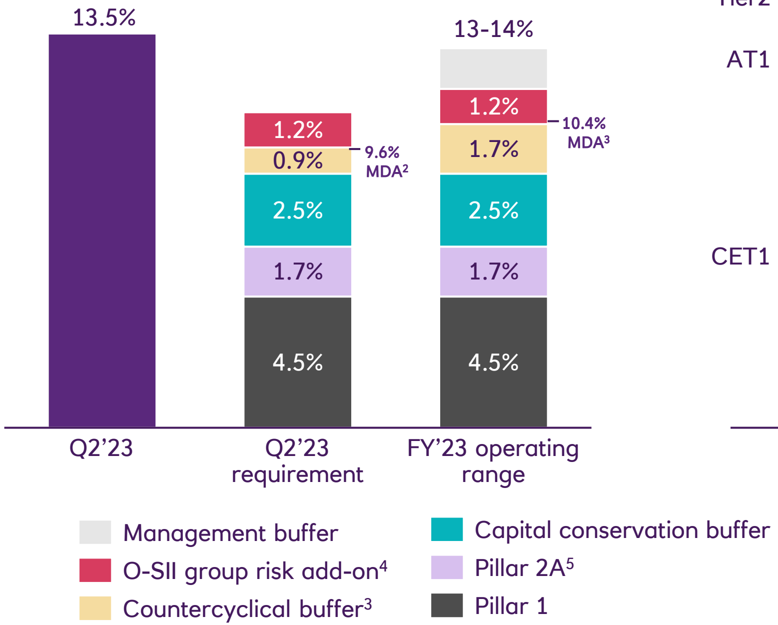
Deposit mix by interest type across the 3 business segments



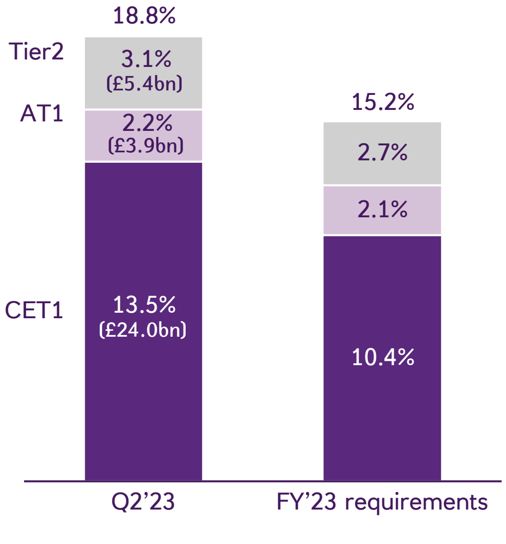
1. Customer Deposits (£432.5bn) = 3 business segments + Ulster + Centre

Strong capital and leverage positions provide confidence and flexibility

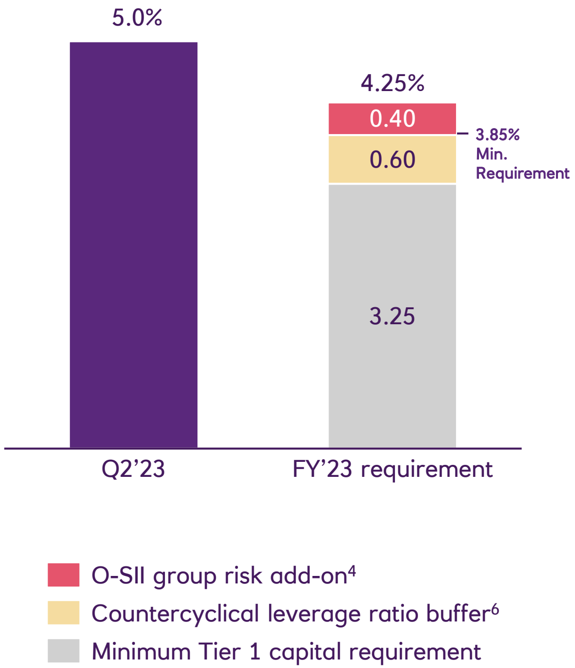
CET1 capital (% RWA)[1,2]



Total Capital (% RWA)



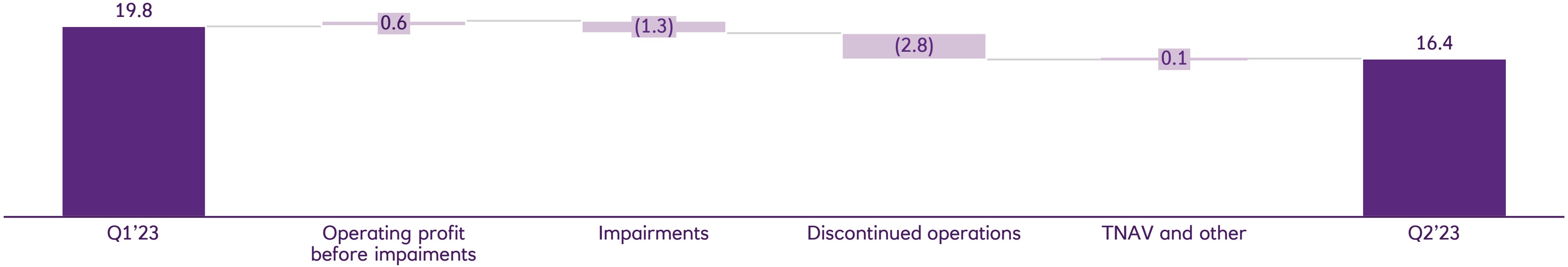
UK leverage ratio (% leverage exposure)



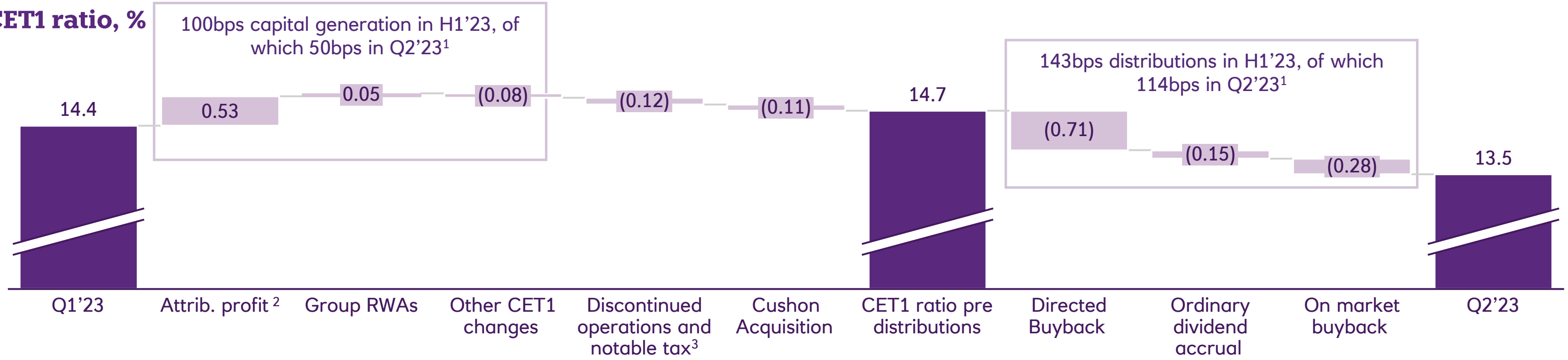
1. Operating range in 2023 reflects medium term CET1 of 13-14. 2. Based on assumption of static regulatory capital requirement. 3. Countercyclical buffer -The UK CCyB increased from 1% to 2%, effective from 5 July 2023. 4.O-SII buffer of 1.5% applies to the ring-fenced bank holding company. The equivalent 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.

Continued sustainable returns and strong capital generation and distribution

Return on tangible equity, %



CET1 ratio, %

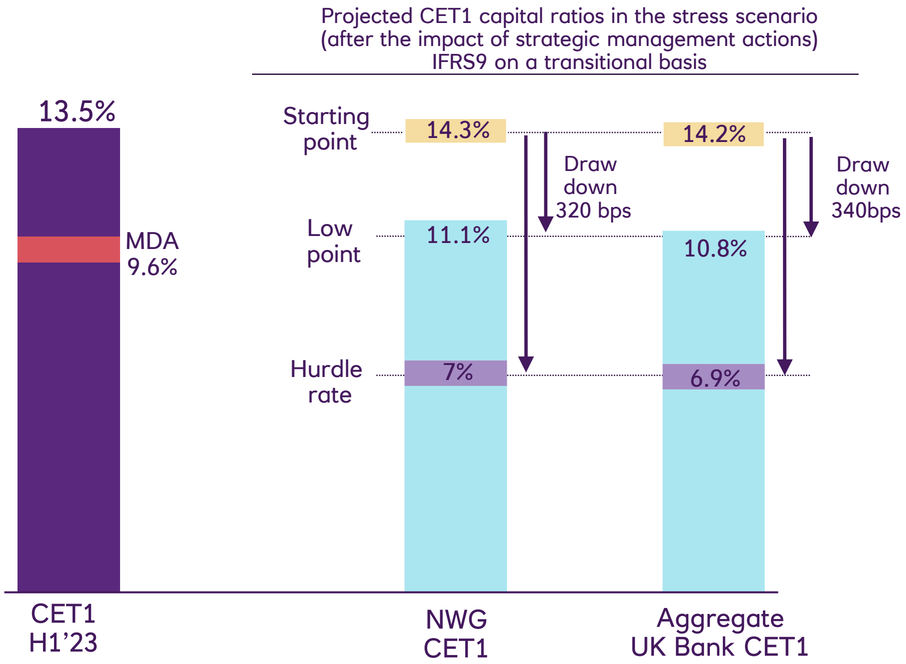


1. Excludes discontinued operations, notable tax adjustments and impacts of Cushon acquisition; 2. Attrib. profit net of IFRS 9 changes and FX recycling 3. Includes loss from discontinued operations, net of tax and tax adjustments in respect of prior periods

2022/23 ACS stress test results demonstrate a robust balance sheet and solid capital position

The results indicate that the UK banking system would be able to withstand the severe macroeconomic scenario and has the capacity to support households and businesses throughout the stress

NatWest Group's capital position remains above its CET1 ratio hurdle rate of 7% and its Tier 1 leverage ratio of 3.7% on a IRFS9 transitional basis, with a low point of 11.1% CET1 ratio and 5.2% leverage ratio after strategic management actions



Modelled economic variables (Worst point)

	2022/23 ACS Stress Test	NWG ECL extreme downside
UK GDP	(5)%	(4.9)%
UK Unemployment	8.5%	8.0%
UK CPI peak	17%	10.1%
BoE Bank Rate	6%	6.0%
UK HPI	(31)%	(34.3)%

Good progress against 2023 wholesale funding plan[1]

Across multiple currencies and tenors

		2023 guidance	H1 2023 actual				
NatWest Group plc (HoldCo)	Senior unsecured (MREL)	**£3bn to £5bn**	**~£4bn**	• $1bn 4NC3 • $1bn 11NC10 • $1.25bn 6.25NC5.25	• €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**	**~£2bn**	-	• €750m 3yr FRN • €750m 5yr FXD	• £500m 3yr Benchmark	• CHf250m 5yr

1. Includes primary/benchmark transactions only. Does not include private placements.

Credit ratings – In H1 S&P raised the long-term issuer ratings for NatWest Group and its operating subsidiaries

S&P long-term issuer rating action:

- 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 Deposit Rating. The ring-fenced bank operating companies do not issue rated senior unsecured debt. Nevertheless Moody's assigns 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.

Katie Murray
Chief Financial Officer

NatWest Group

Our FY'23 guidance

2023 GUIDANCE

Total Income	Other operating costs and C:I ratio[2]	Loan impairment rate	RoTE	Distributions
~£14.8bn[1] NIM: ~3.15% Assumes peak UK Base Rate of 5.50% from Q3'23	~£7.6bn <52%	20-30bps	Upper end of 14-16%	Payout ratio 40% + capacity for buybacks and inorganic opportunities[3]

H1 PERFORMANCE

Total Income	Other operating costs and C:I ratio	Loan impairment rate	RoTE	Distributions
£7.4bn[1] NIM: 3.20%	£3.8bn C:I[2] 49.3%	12bps	18.2%	£2.5bn[4]

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, will not cast due to rounding

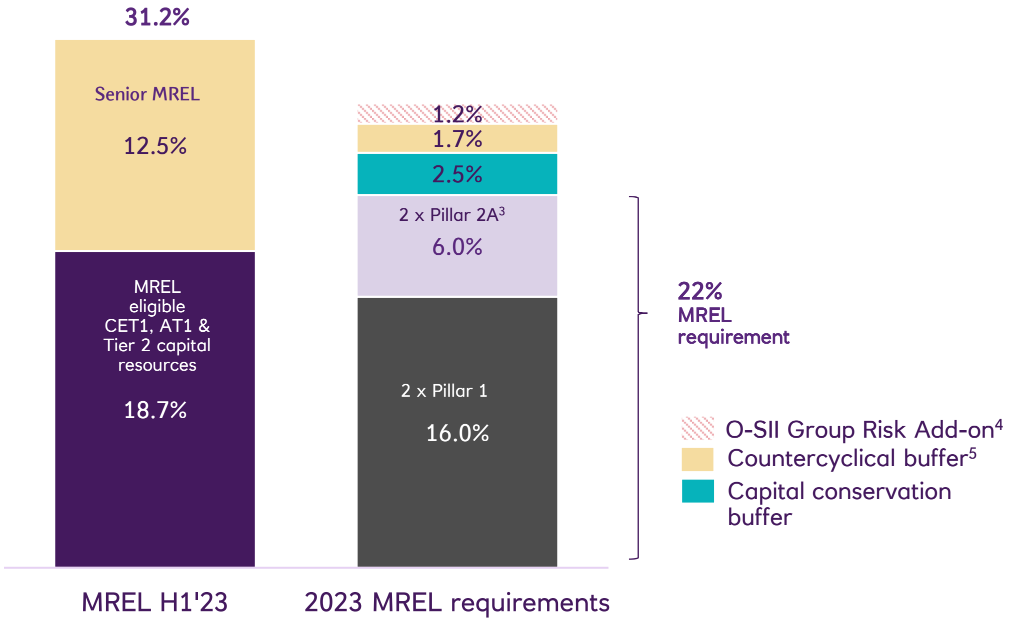
Q&A

Appendix

Total MREL resources comfortably above requirements[1]

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

£bn as at 30th June 2023

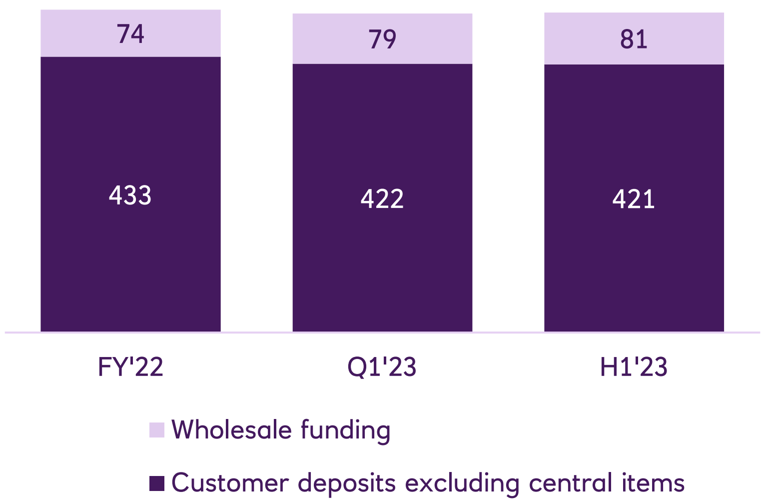


1. "MREL" = Minimum requirement for own funds and eligible liabilities. MREL eligible liabilities excludes securities issued from operating subsidiaries. 2. Illustration, based on assumption of static regulatory capital requirements. MREL requirement is set at 2x (Pillar 1+ Pillar 2A) per Bank of England 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.

Stable and diversified funding sources

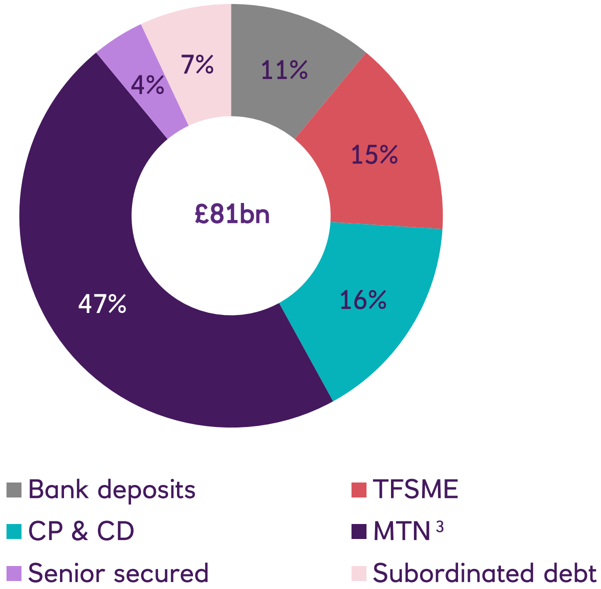
Funding composition (£bn)[1,2]

Customer deposits provide ~84% of funding supply



Wholesale funding mix[1]

Access to diverse wholesale funding sources



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

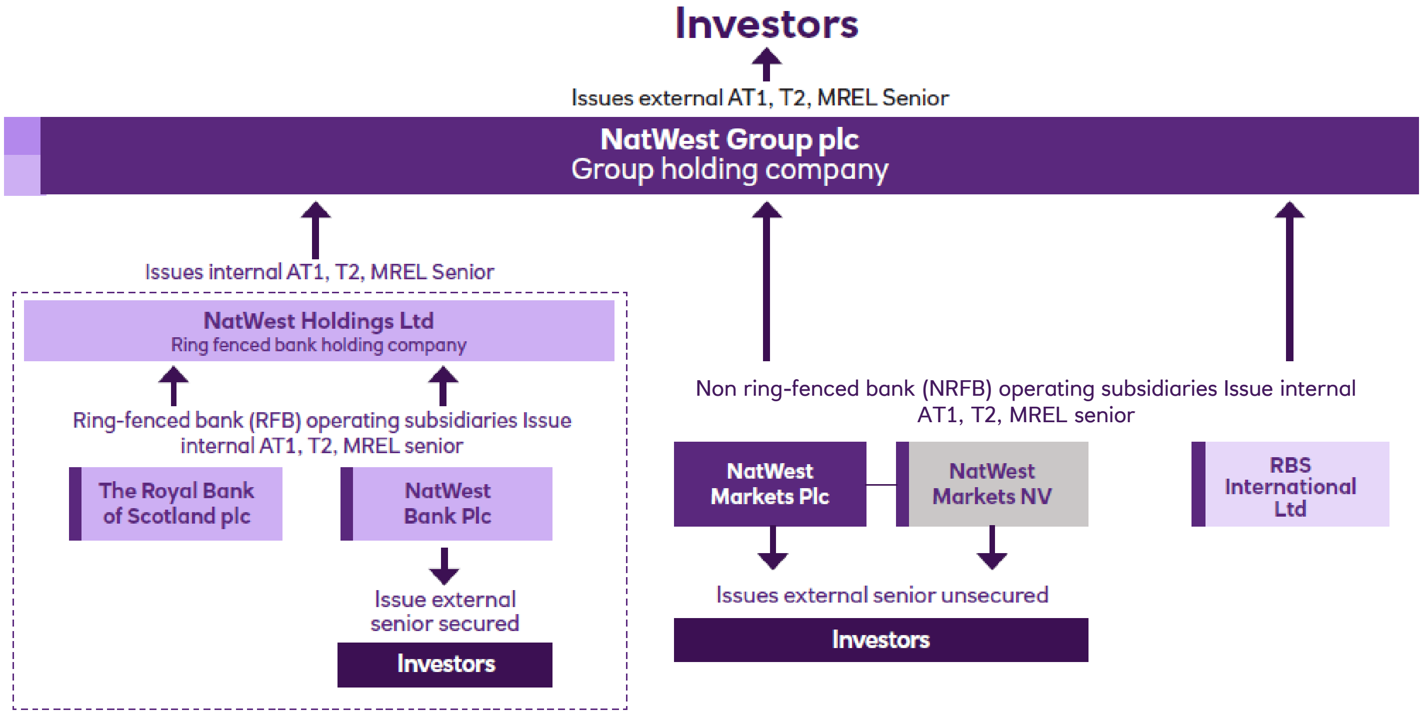
Issuing entity structure

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.

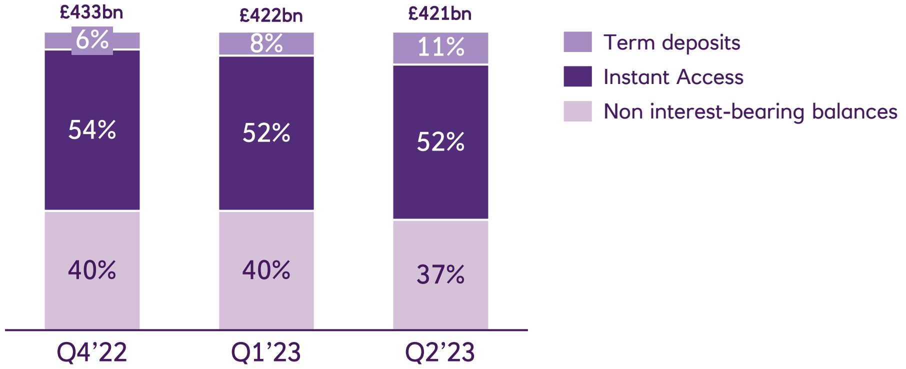
Natwest Markets Plc issues senior unsecured securities externally.



Managing deposits for liquidity and value

Customers continue to migrate to term savings and our incremental pass through is increasing

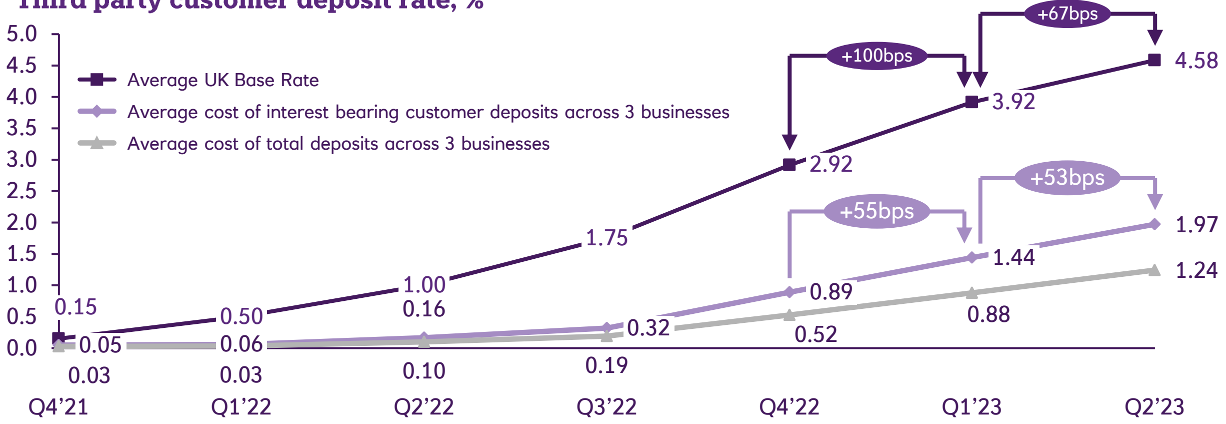
Deposit mix by interest type across the 3 business segments



Pass through on £218bn Instant Access Deposits (52% of deposits across 3 businesses)

- **Cumulative pass through**
  - from 0.1% to 5% base rate ~**50%**
  - from 0.1% to 4.25% base rate ~40%
- **Incremental pass through**
  - 75bps increase to 5% ~**75%**
  - 25bps increase to 4.25% ~60%

Third party customer deposit rate, %

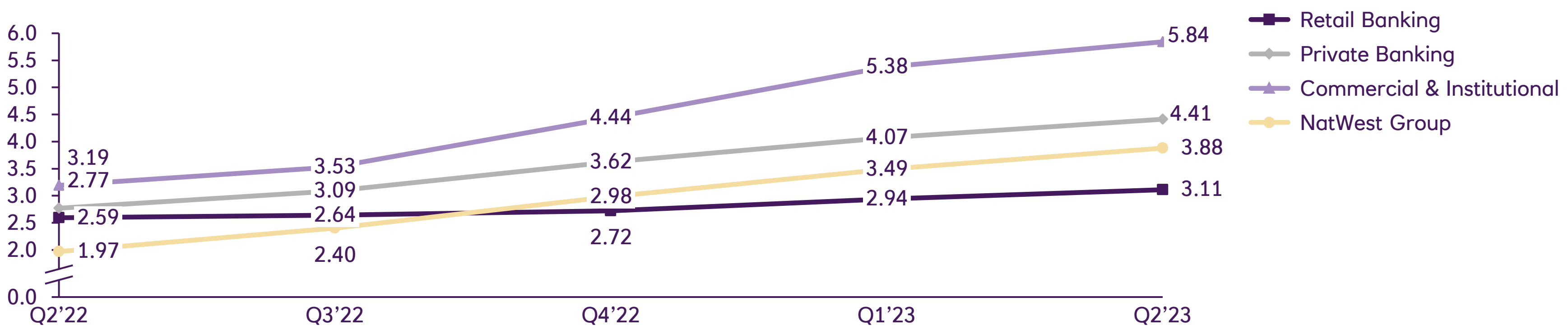


Drivers of deposit costs:

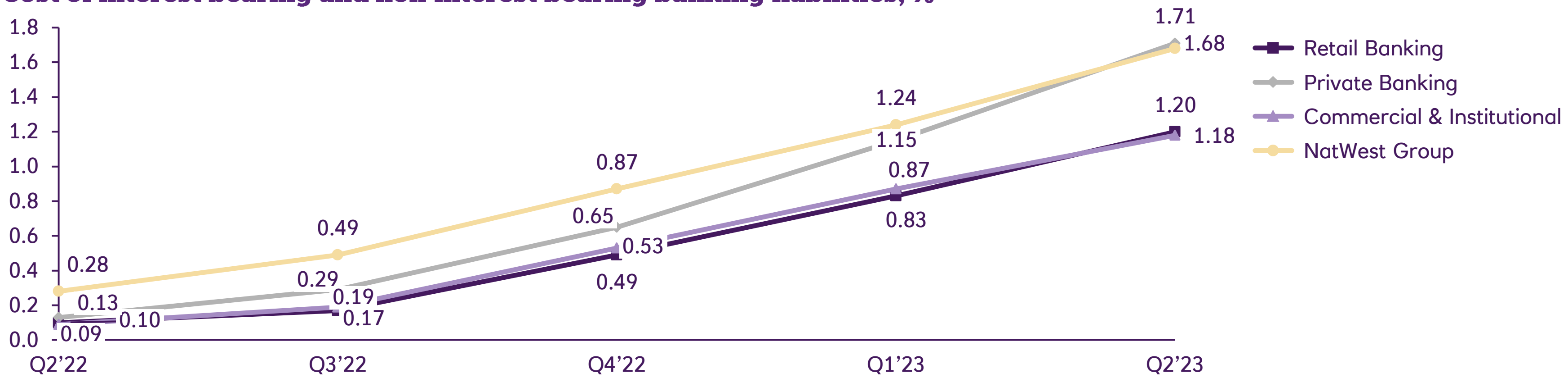
- Customer behaviour and balance migration to higher interest-paying accounts
- Deposit repricing lags the increase in base rates
- Pace of change is uncertain

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 Hedge[1]

	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 sensitivity[1]

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)

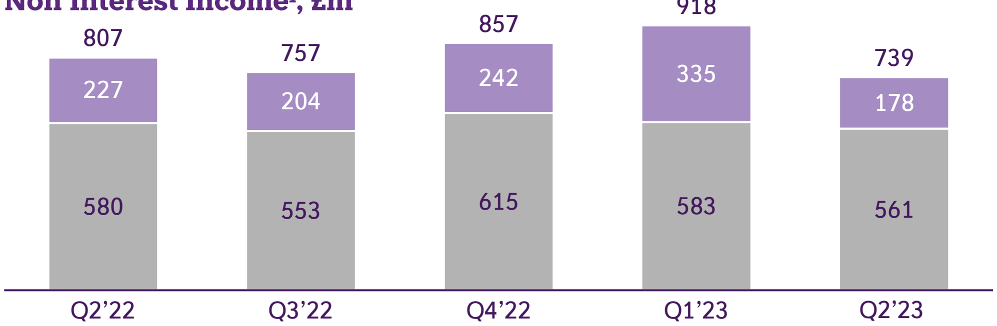
FY 2022	+25 basis points parallel upward shift			-25 basis points parallel downward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	50	158	260	(50)	(158)	(260)
Managed Margin	148	141	136	(170)	(140)	(129)
Total	198	299	396	(220)	(298)	(389)

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 H1’23 IMS.

Non interest income

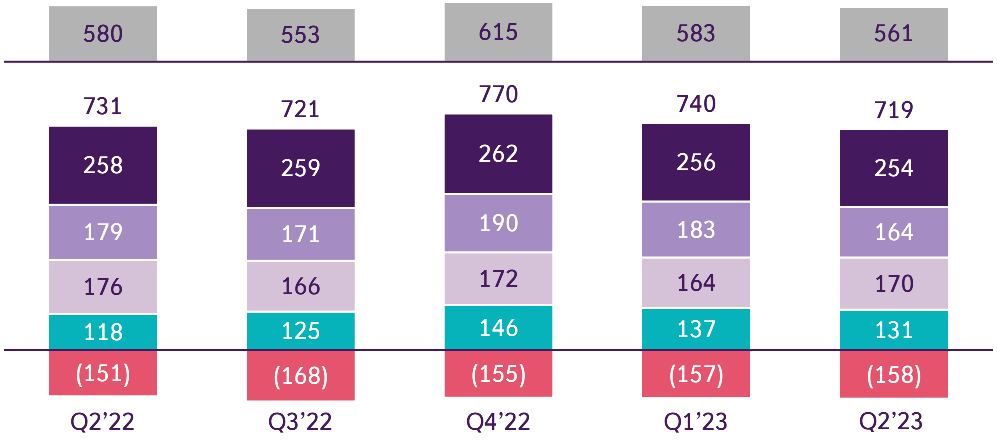
Non Interest Income[1], £m



Q2’23 performance

- Primarily reflecting lower NatWest Markets fixed income following strong Q1’23
- Lower lending fees

Fees and Commissions, £m



1. Excluding relevant notable income items per slide 25.

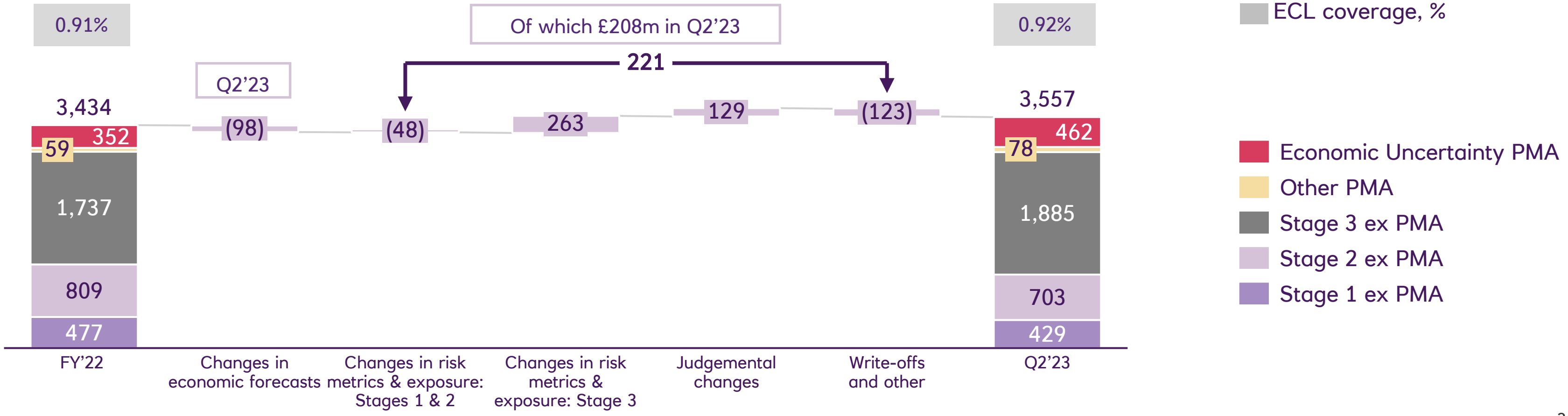
Well provided for the economic cycle and have revised our economic scenarios

Economic scenarios and weightings

	FY'22				H1'23			
	Upside	Base Case	Downside	Extreme downside	Upside	Base Case	Downside	Extreme downside
	18.6%	45.0%	20.8%	15.6%	19.5%	45.0%	21.5%	14.0%
ECL increase/(decrease) at 100% weighting (stage 1 and 2)	(445)	(216)	193	1,565	(355)	(148)	214	1,558

Weighted-average variables	FY'22		H1'23		Change		H1'23 Extreme Downside	
	2023	2024	2023	2024	2023	2024	2023	2024
UK GDP - annual growth	(1.1)	0.4	0.3	0.3	1.4	(0.1)	(0.3)	(4.1)
UK Unemployment - annual avg.	4.7	5.4	4.0	4.7	(0.7)	(0.8)	4.3	7.3
UK House Price Index[1]	(6.6)	(3.2)	(6.2)	(3.1)	0.4	0.1	(8.2)	(14.1)
UK Consumer Price Index[1]	6.0	3.1	4.0	3.2	(2.0)	0.1	7.0	6.8

Group ECL provisions, £bn, and coverage



1. Four quarter growth

UK Economic Assumptions[1]

Our economic assumptions and weightings updated in 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

Fixed Income investor contacts

NatWest Group

Group Treasury

Scott Forrest
Head of 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

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 IMS and the NWM Plc H1 2023 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), 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 Promotor 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. 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.