NatWest Group

H1 2022 Results
Fixed Income Investors

29 July 2022

Katie Murray

Chief Financial Officer

Balanced growth and strong operating performance driving attractive returns and capital generation

Strong loan growth of £9bn, up 2.6% in H1’22

17.7% positive operating jaws[1] driven by strong income growth and cost reduction

High quality loan book with no emerging signs of stress

Continued improvement in RoTE and further strong capital distributions in H1’22

H1’22 performance

£2,833m
Operating profit before tax[2]
vs. £2,512m in H1’21

£1,891m
Attributable profit
vs. £1,842m in H1’21

13.1%
Return on Tangible Equity
vs. 11.7% in H1’21

Delivering on growth, cost reduction and capital

16.2%
Income growth[3],
up £819m vs. H1’21

1.5%
Cost reduction[4]
of £50m vs. H1’21

14.3%
CET1 Capital Ratio
down 160bps vs. 1 Jan 22 (incl. 190bps of capital distributions)

£3.3bn shareholder distributions announced for H1’22

£0.4bn
Interim dividend
(£1bn minimum annual dividend, £0.5bn accrual in 14.3% CET1 ratio)

£1.75bn
Special dividend with share consolidation announced

£1.2bn
Directed buyback completed in Mar’22

1. Operating jaws defined as year on year income growth[3] less cost growth[4].
2. Go-forward group.
3. Income excluding notable items for the Go-forward group, which excludes Ulster Bank RoI.
4. Other operating expenses for the Go-forward group, which excludes Ulster Bank RoI.

Delivering against our strategic priorities to drive sustainable returns for shareholders and help our customers to thrive

Powering growth through:

- Supporting customers at every stage of their lives

- Innovation, partnerships and digital transformation

- Simplification and efficiency

- Disciplined deployment of capital

Our Purpose

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

Our Strategy

Supporting customers at every stage of their lives

Powered by innovation and partnerships

Simple to deal with

Sharpened capital allocation

Our initial Areas of Focus

These help us make a meaningful contribution to society while balancing the needs of our customers, colleagues and shareholders

Climate | **Enterprise** | **Learning**

Helping people, families and businesses navigate through uncertainty

Driven by our purpose, we are taking action in response to the changes in the cost of living to support our stakeholders

Our strong financial performance and robust balance sheet means we are able to stand alongside our customers and colleagues

Underpinned by proactive risk management

Supporting our customers and colleagues through uncertainty

Personal customers

0.4m financial health checks carried out in H1'22

2.7m customers proactively contacted with support and information

100k customers supported by Financial Health & Support team at any one time

~£30m per annum of ongoing support and investment for customers showing signs of financial vulnerability

Collaboration with Citizens Advice, GamCare and SafeLives to support vulnerable customers

£4m hardship funding to provide grants and support[1]

Colleagues

Targeted pay rises and support through **bank assistance programmes**

Commercial customers

Tailored support for most impacted sectors including 40k agriculture customers (inc. £1.25bn lending package for UK farmers)

Freeze on SME current account fees for 12 months

Dedicated SME ecosystem with access to specialist relationship managers and business hubs to help with supply chain issues and provide financial support

Support with energy transition and efficiency for Commercial customers

1. Delivered through organisations we work with, including Citizens Advice, StepChange and Money Advice Trust.

Operating at scale across our One Bank model

We are a leading UK bank with 19 million customers

Our sustainable growth strategy supports customers at every stage of their lives

One Bank approach with Centres of Expertise leveraging capabilities across the Group

Strong franchises: A leading UK bank serving 19 million customers[1]

Retail Banking	Private Banking	Commercial & Institutional
NatWest, Royal Bank of Scotland	Coutts *Criteria: >£1m lending, investments OR deposits*	NatWest, Royal Bank of Scotland, NatWest Markets
c.17.4 million customers	c.57k customers[2]	c.1.4 million customers

Enables: Sustainable growth with an intelligent approach to risk

1. Deepening existing relationships and acquiring new customers
2. Supporting customers through their energy transition
3. Diversifying income streams

1. All customer number stats on slide are as at end of FY'21.
2. Based on number of Private Banking Client Connections, excluding PCAIS clients which transferred to Private Banking on 1 January 2020. A single connection may represent multiple individuals (e.g. a family).

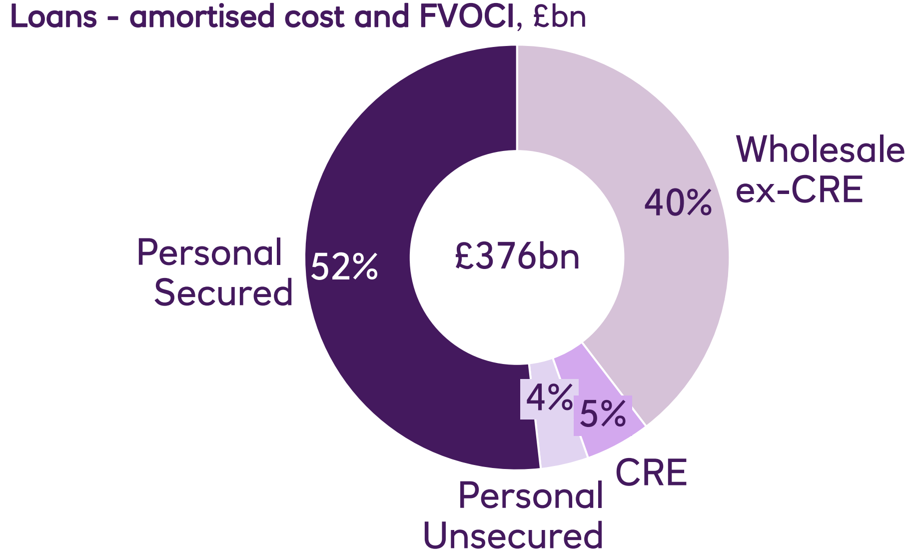
Effective capital allocation across a well diversified loan book

Proactively managing capital allocation and risk in order to maintain a strong balance sheet

High quality lending book and low level of defaults driving further impairment release

Significant progress on our phased withdrawal from the Republic of Ireland. We continue to expect it to be capital accretive

Well diversified loan book, strong track record on risk management

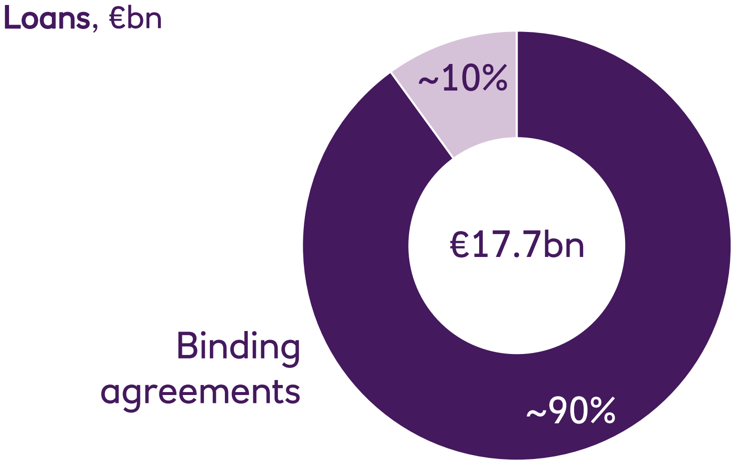


93%
Personal lending secured with 92% Mortgage book fixed

53%
Average mortgage LTV

48%
Average CRE LTV

Ulster Bank ROI withdrawal progressing well[1]



- Binding agreements in place for c.90% of total gross customer lending portfolio; c.75% of credit RWAs as at 30 June 2022
- Asset sales on track
- Deposits down €3.5bn, 16%, in H1’22 as customers continue to close their accounts

1. Completion of each proposed sale is subject to regulatory and other approvals.

Strong Q2’22 operating performance delivering RoTE of 15.2%

Income excluding notable items increased 12.3% versus Q1’22 supported by higher margin and volume

Other operating expenses increased 1.9% versus Q1’22 and 0.7% versus Q2’21 however, we have noted cost savings will be not be linear

Impairment release of £39m in Q2’22, reflects continued low levels of default

Operating profit before impairments of £2.8bn in H1’22 is up by 53.5% versus H1’21

Go-forward group, £m[1]	Q2'22	Q1'22	Q2'22 vs Q1'22	H1'22	H1'21	H1'22 vs H1'21
Net interest income	2,305	2,023	13.9%	4,328	3,729	16.1%
Non-interest income	894	964	(7.3%)	1,858	1,347	37.9%
Total income	**3,199**	**2,987**	**7.1%**	**6,186**	**5,076**	**21.9%**
Total income, ex notable items[2]	***3,102***	***2,763***	***12.3%***	***5,865***	***5,046***	***16.2%***
Other operating expenses	(1,636)	(1,605)	1.9%	(3,241)	(3,291)	(1.5%)
Litigation and conduct costs	(56)	(102)	(45.1%)	(158)	31	nm
Operating expenses	**(1,692)**	**(1,707)**	**(0.9%)**	**(3,399)**	**(3,260)**	**4.3%**
Operating profit before impairments	**1,507**	**1,280**	**17.7%**	**2,787**	**1,816**	**53.5%**
Impairment (losses)/releases	39	7	nm	46	696	nm
Operating profit / (loss)	**1,546**	**1,287**	**20.1%**	**2,833**	**2,512**	**12.8%**
Group, £m						
Attributable profit / (loss)	**1,050**	**841**	**24.9%**	**1,891**	**1,842**	**2.7%**
Return on Tangible Equity	**15.2%**	**11.3%**	**3.9%**	**13.1%**	**11.7%**	**1.4%**

1. Go-forward group is NWG excluding Ulster Bank RoI.
2. Notable income items as per slide 35.

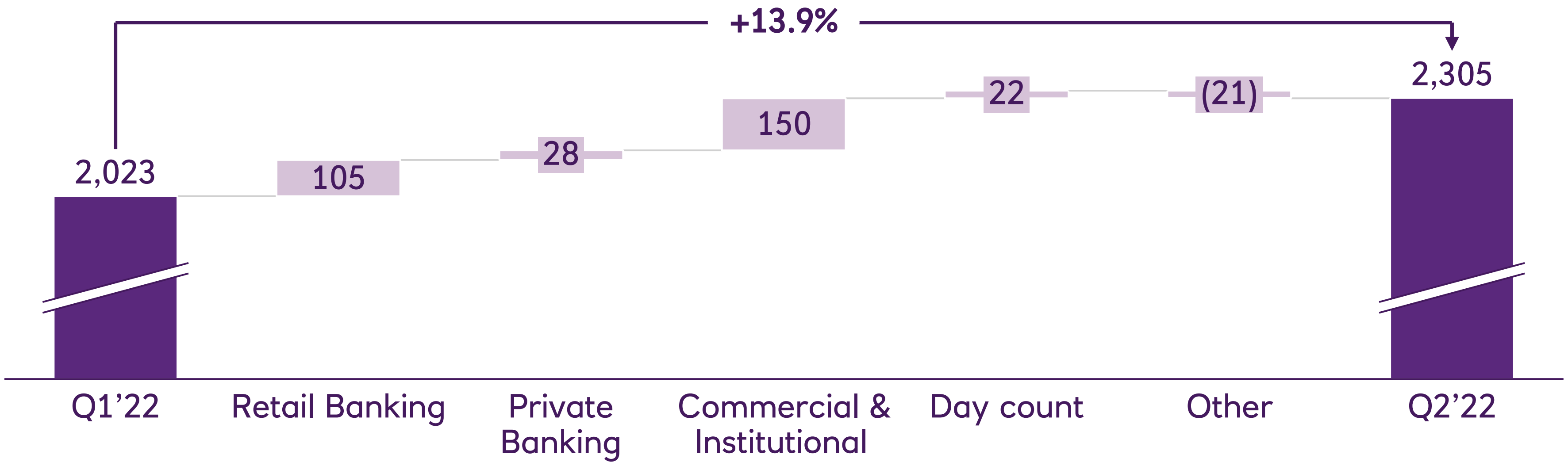
Generating sustainable shareholder value

Strong net interest income growth driven by both margin and volume growth

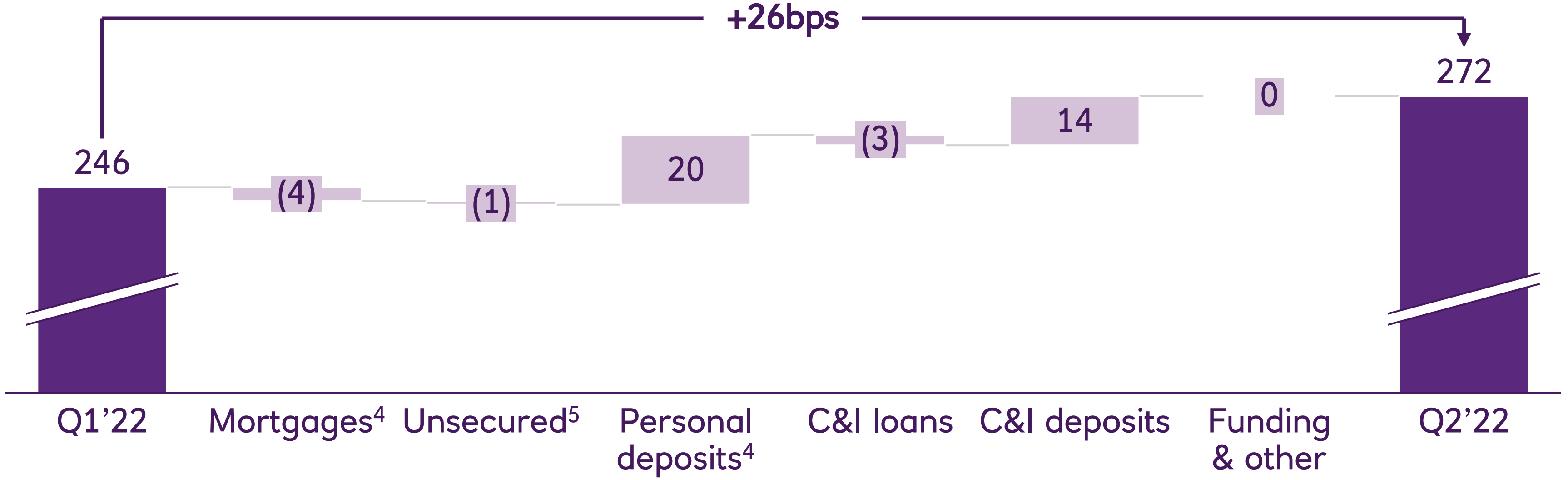
Net interest income was up 13.9% in the quarter driven by higher margin and strong lending

Bank NIM[3] improved by 26bps to 2.72%, reflecting higher yield curve, partially offset by lower mortgage margins and Commercial & Institutional loan mix

Go-forward Net Interest Income[1,2], £m



Bank Net Interest Margin[3], bps



333.3	Bank Average Interest Earning Assets (AIEAs)[3], £bn	340.0

1. May not cast due to rounding.
2. Go-forward group is NWG excluding Ulster Bank RoI.
3. NatWest Group excluding, Ulster Bank RoI and Liquid asset buffer.
4. Includes Retail Banking and Private Banking.
5. Includes all non-mortgage lending in Retail Banking and Private Banking.

Strong loan growth

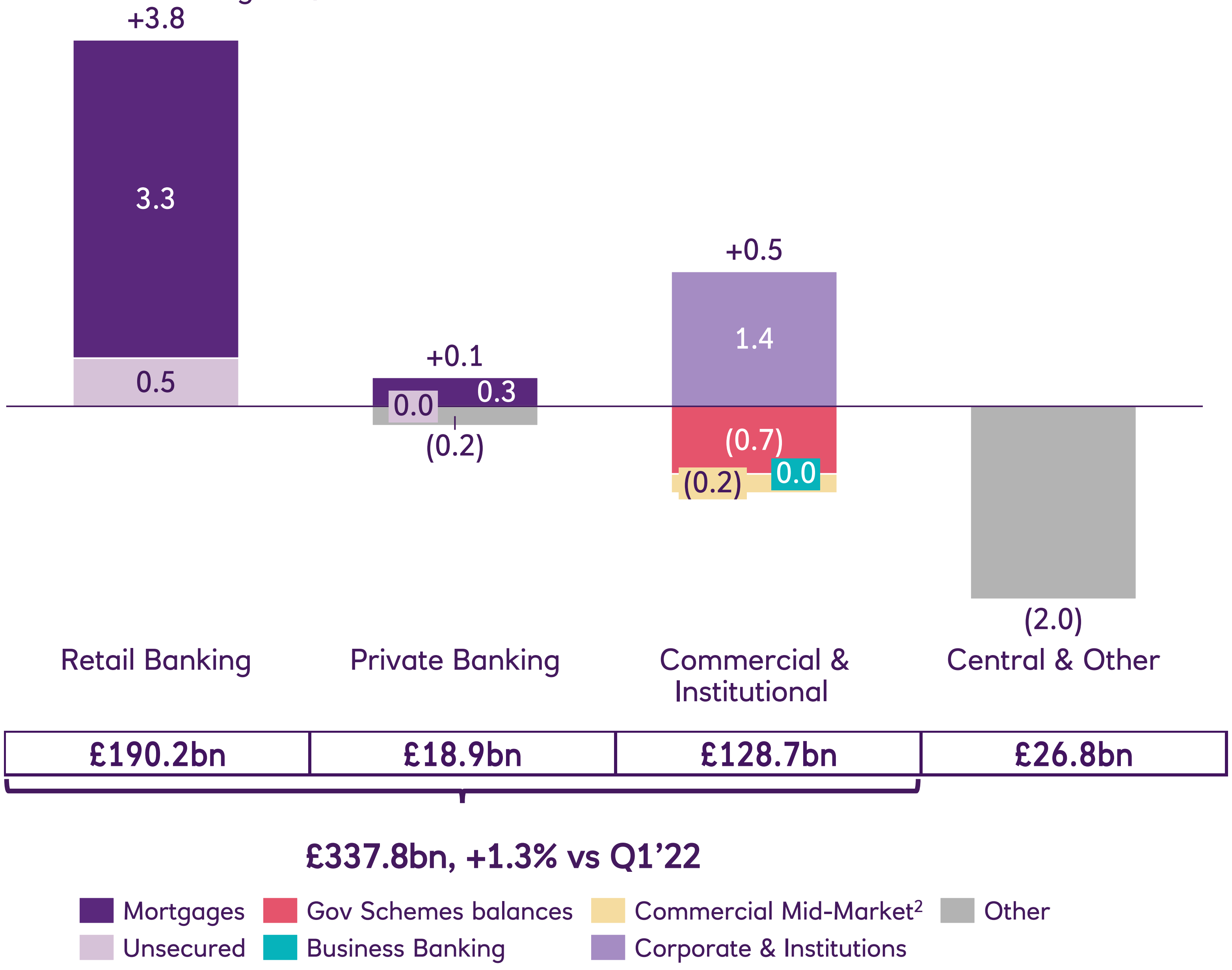
Gross loans[1] to customers across our three franchises are up £4.4bn, or 1.3%, in the quarter to £337.8bn

Retail Banking mortgage growth of £3.3 billion in the quarter supports stock share of 11.1%

Commercial & Institutional lending growth continued in the quarter, particularly from funds lending growth, increased facility utilisation and asset and invoice financing

Go-forward gross customer loans[1], Q2'22 vs Q1'22, £bn

Balances outstanding at Q2'22



1. Go-forward group is NWG excluding Ulster Bank RoI.
2. Impacted by shipping disposals and fair value movement on Housing Associations.

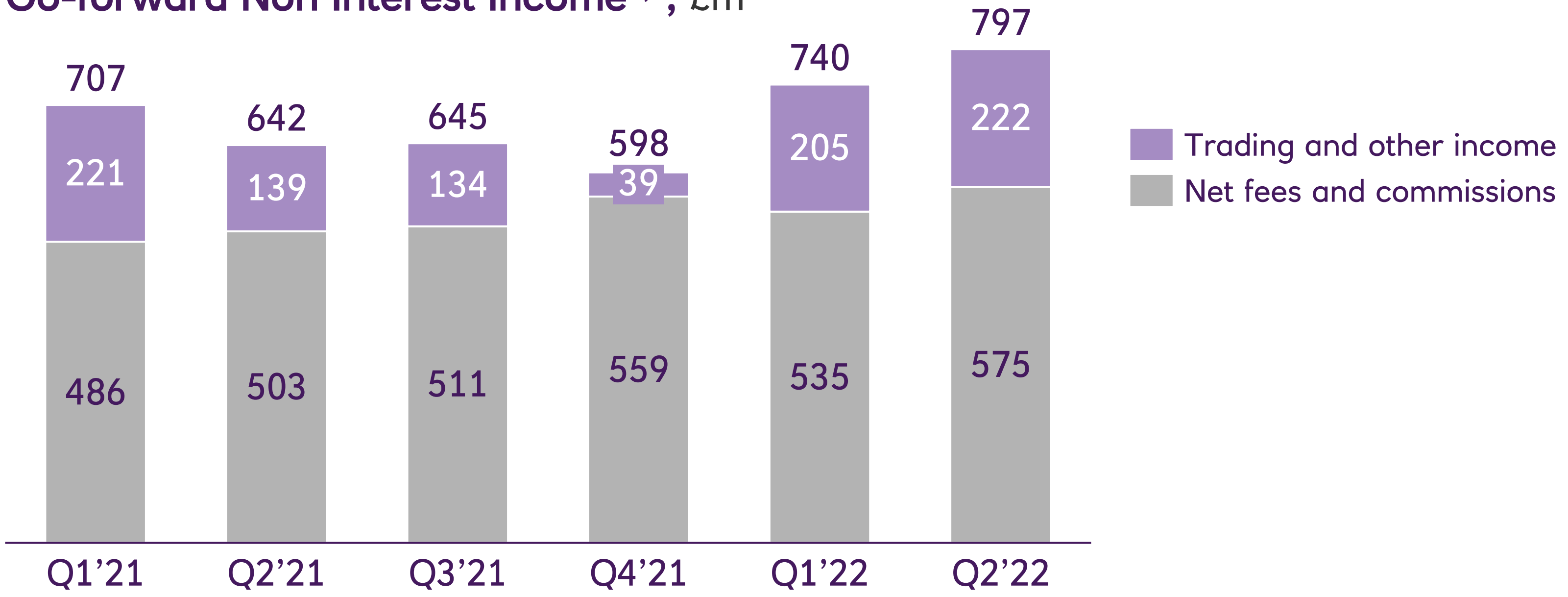
Non-Interest Income[1] growth from increased customer activity

Net fees and commissions[2] increased £40m in Q2 primarily due to higher card payment fee income and payment services

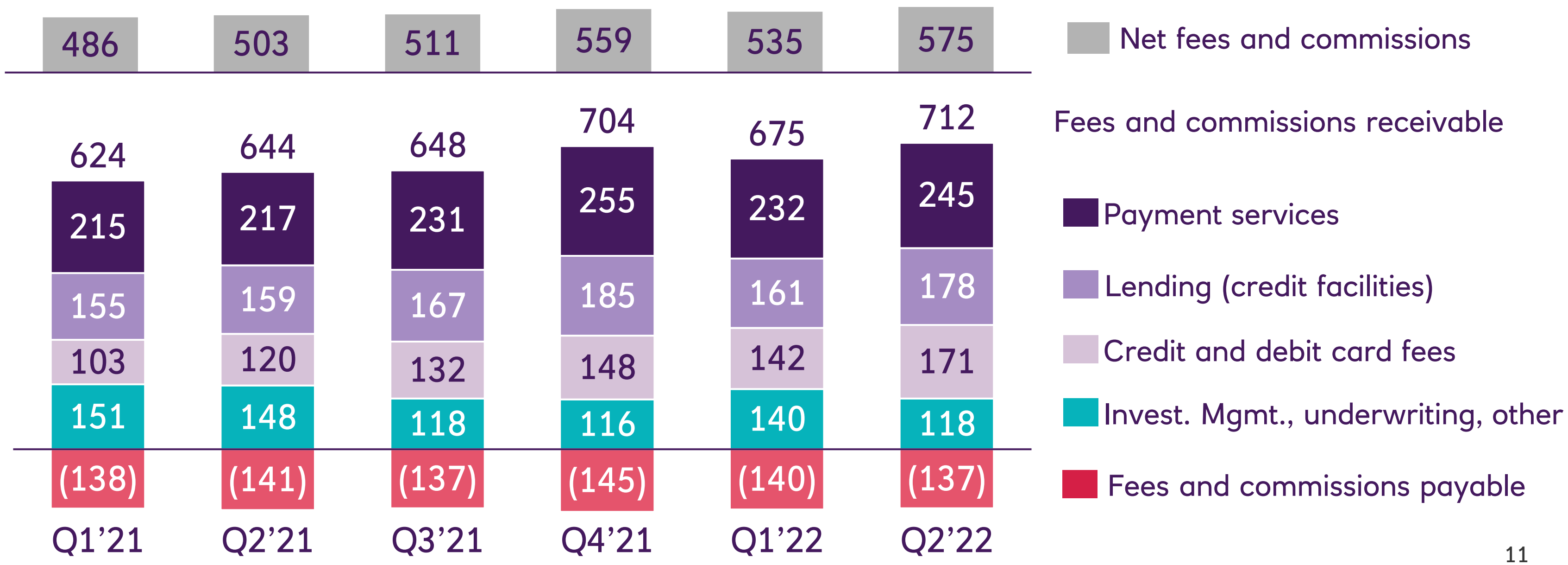
Trading and other income increased by £17m reflecting a good performance across our suite of markets products

Ongoing investment continues to support our propositions such as Tyl and Payit

Go-forward Non Interest Income[1,2], £m



Go-forward Fees and Commissions[2], £m



1. Excluding relevant notable income items per slide 35.
2. Go-forward group is NWG excluding Ulster Bank RoI.

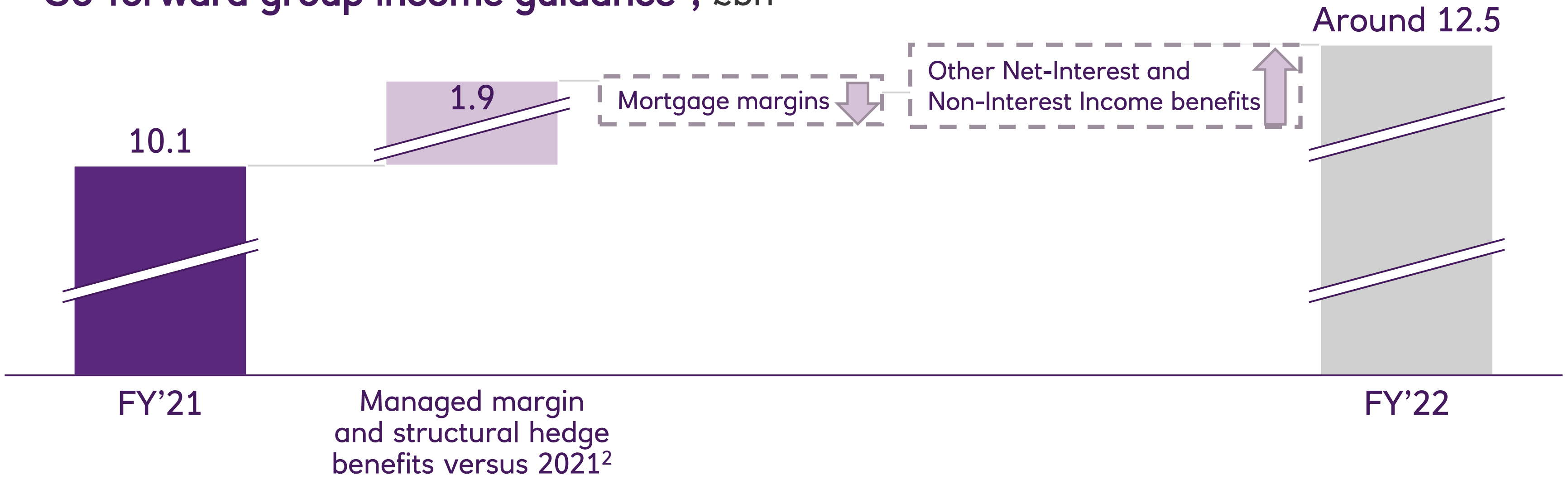
We are strengthening our 2022 income guidance

We remain well positioned for rising UK interest rates and are seeing good customer loan demand and increased activity

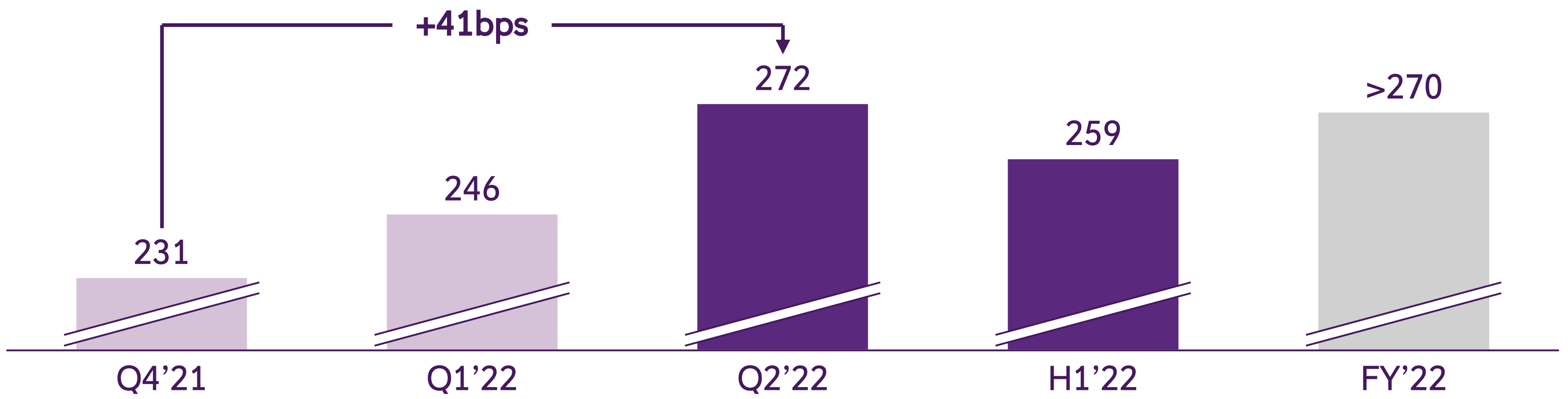
2022 income growth drivers:

- Higher managed margin and structural hedge income
- Higher average customer lending volumes
- Higher fee and trading income
- Partially offset by lower mortgage margins

Go-forward group income guidance[1], £bn



Bank Net Interest Margin progression and guidance[1], bps



- We expect Go-forward group income excluding notable items to be around £12.5bn in 2022, versus our base of £10.1bn in 2021
- We expect 2022 Bank NIM[3] to be greater than 2.70%
- Our guidance assumes a 2% UK Base Rate by end of 2022

1. Go-forward group income excluding notable items.
2. FY'22 vs FY'21 illustrative income as shown on slide 17.
3. NatWest Group excluding Ulster Bank RoI and liquid asset buffer.

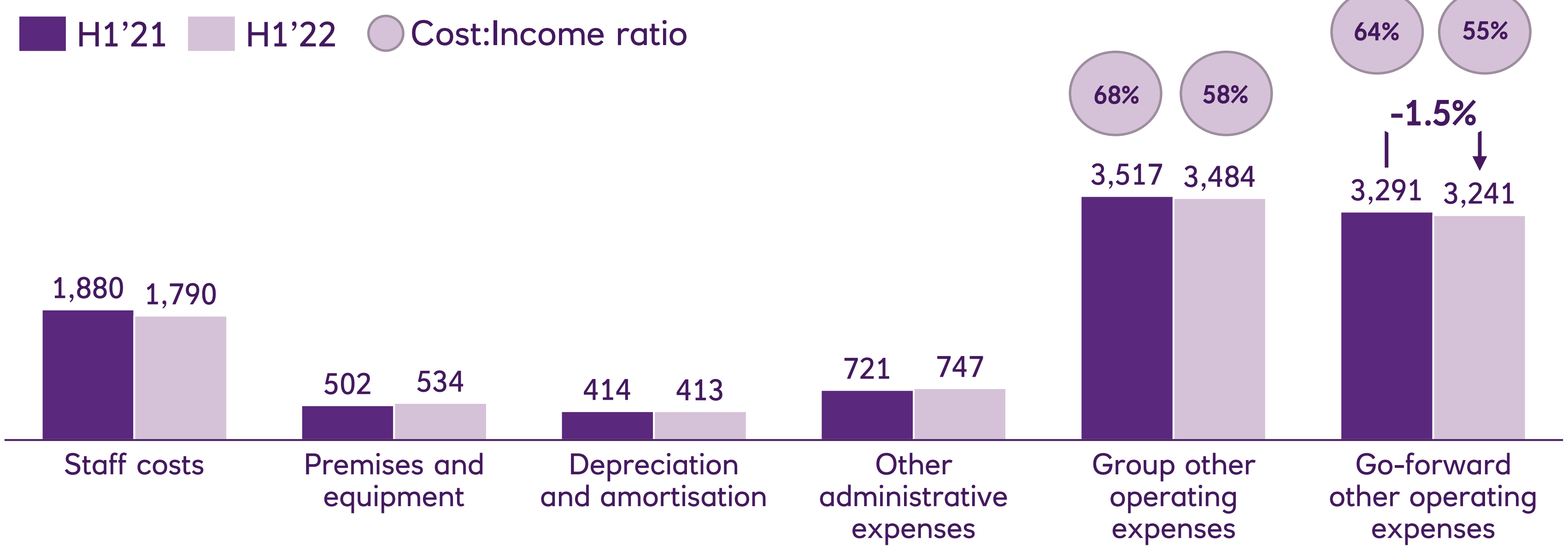
Delivered 1.5% cost reduction in H1, and despite inflation, we are on track to achieve our target of around 3% reduction for FY’22

FY’22 cost reduction and savings will not be linear with Q3 costs expected to be higher than Q2, with the savings weighted to the fourth quarter

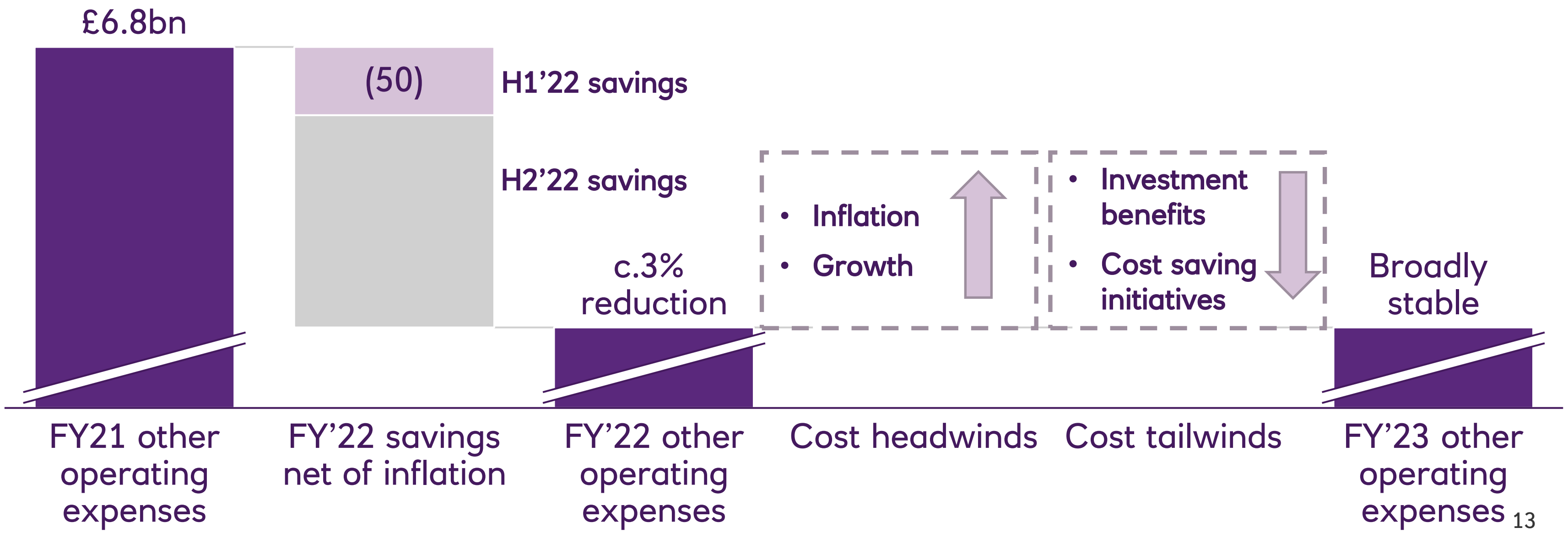
FY’23 costs impacted by rising inflation however ongoing savings from our investment programme means we expect to keep costs broadly stable versus FY’22

1. Other operating expenses for the Go-forward group excluding Ulster Bank RoI.

Group other operating expenses, £m



Progress towards our cost target[1], £m

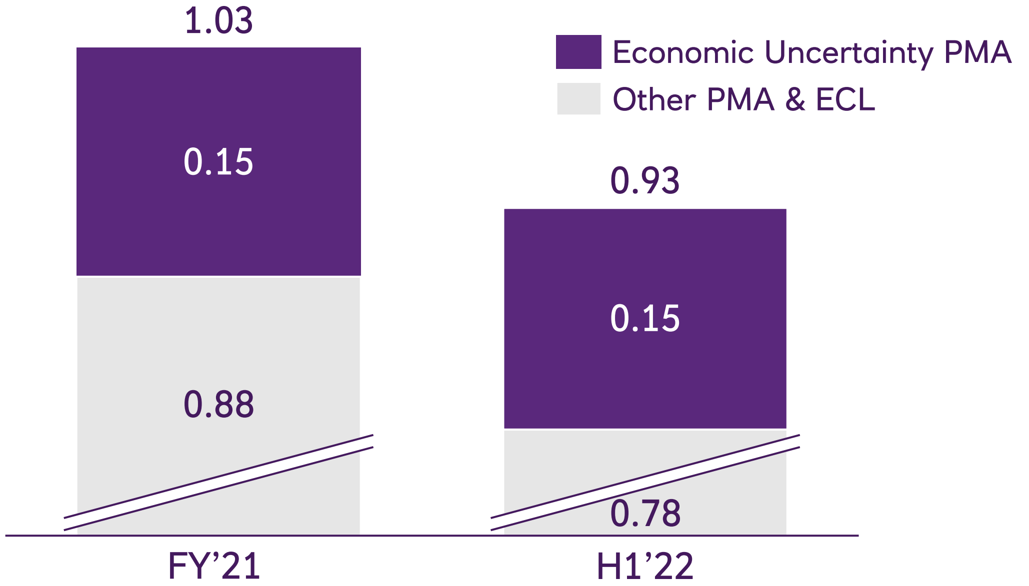


Quality of loan book and low level of defaults drive further impairment release

Credit metrics remain robust and customer liquidity levels remain strong

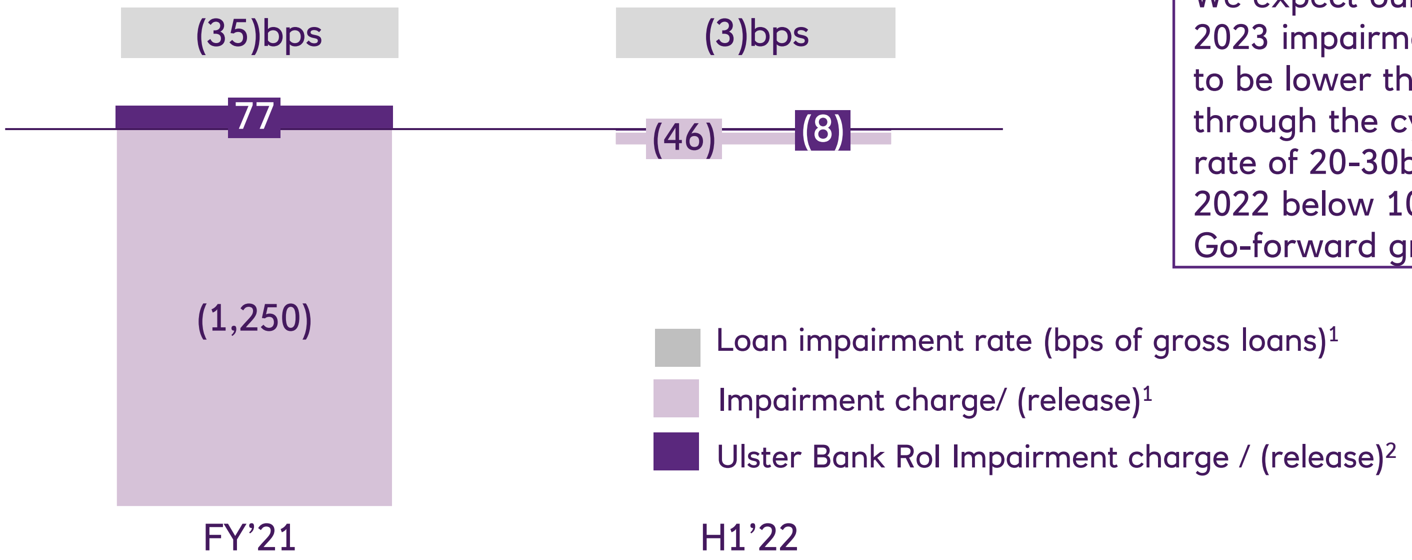
Low level of defaults is the driver of the Group impairment release in H1'22 and we expect our loan impairment rate to be below 10bps for FY'22 for Go-forward group

Group ECL Coverage, %



ECL coverage, excluding the economic uncertainty PMA, of 0.78%, reflects the quality of the book and ongoing de-risking

Group impairment charge / (release), £m



We expect our 2022 and 2023 impairment charge to be lower than our through the cycle loss rate of 20-30bps, with 2022 below 10bps in the Go-forward group

1. Go-forward group 2. Ulster Bank RoI continuing operations.

ECL decrease in H1’22 driven by improved quality of loan book and lower post model adjustments

Updated economic scenarios and weightings reflect consensus macroeconomic outlook with increased weighting to the downside

Post model adjustments for economic uncertainty of £583m is stable in H1’22, reflecting the release of Covid-19 overlays, partially offset by inflation, cost of living and supply chain increases

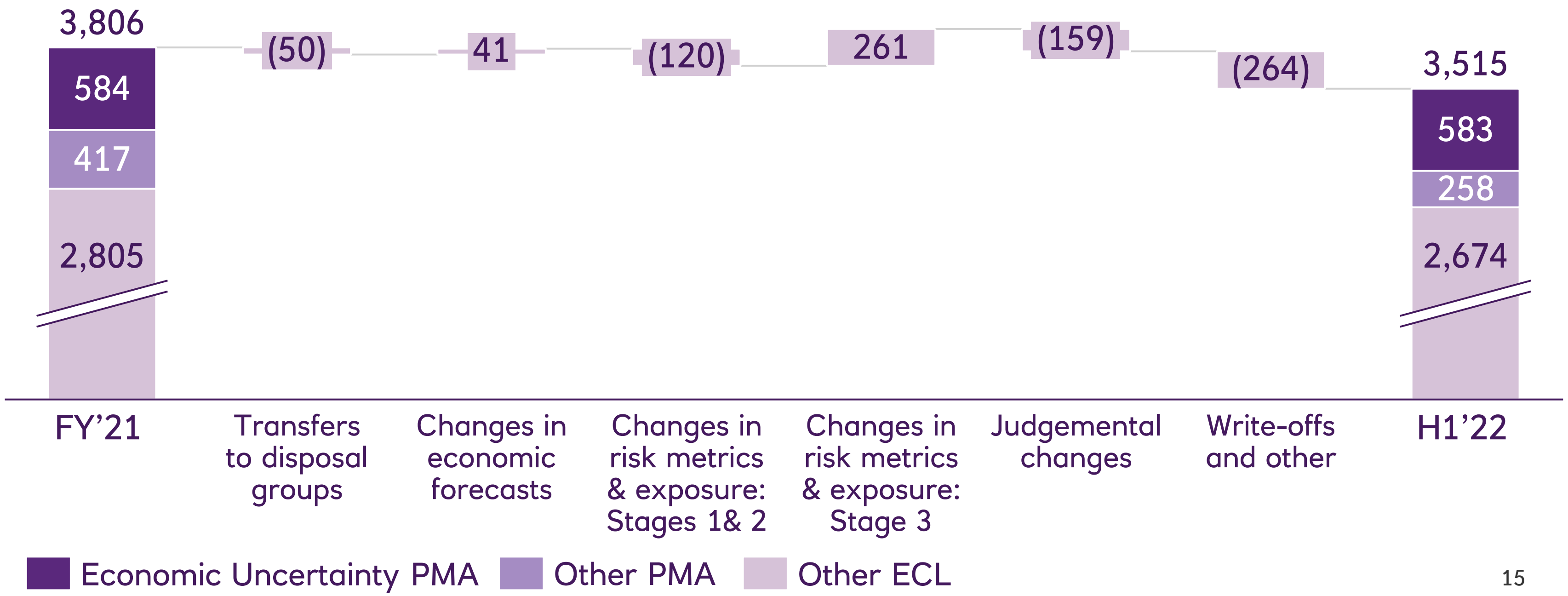
Update to our economic scenarios and weightings

Base case scenario Macroeconomic variable[1]	FY’21		H1’22		Change	
	2022	2023	2022	2023	2022	2023
Weighting	45%		45%		0%	
UK GDP - annual growth (%)	5.0	1.6	3.5	0.8	(1.5)	(0.8)
UK unemployment - annual avg. (%)	4.1	4.0	3.6	3.8	(0.5)	(0.2)
UK Base Rate (%)	1.25	1.25	2.00	2.00	0.75	0.75

Upside scenario weighting reduced from 30% to 21%. 100% weighting would reduce ECL by £0.2bn

Extreme Downside weighting increased from 5% to 14%. 100% weighting would increase ECL by £1bn

Movement in ECL provision[2,3], £m



1. Interim results announcement H1’22, page 22.
2. Excludes ECL provisions on disposal group loans.
3. May not cast due to rounding.

Donal Quaid

Treasurer

Treasurer's review

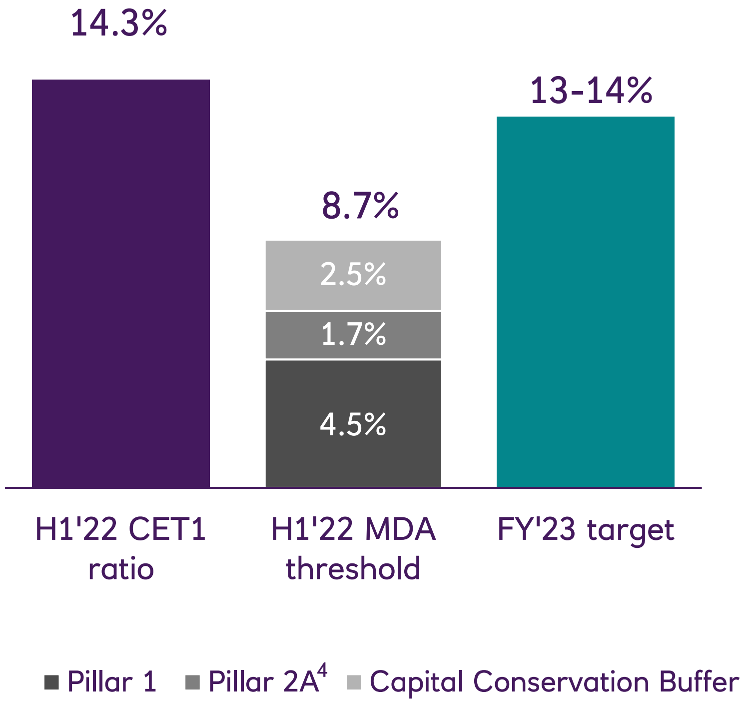
Strong capital, MREL and leverage positions, comfortably above regulatory minima	Capital and leverage	14.3% CET1 ratio	19.3% Total capital ratio	31.7% Loss absorbing capital ratio	5.2% UK leverage ratio
Robust liquidity and diversified funding, with a strong deposit franchise	Liquidity and funding	159% Liquidity coverage ratio	71% Loan to deposit ratio	£476bn Customer deposits Go-forward group	£76bn Wholesale funding
Good progress against 2022 issuance plans in challenging credit markets, with flexibility for the remainder of the year	2022 Issuance	~£1.6bn HoldCo Senior MREL		~£3.3bn OpCo Senior unsecured	

Strong capital position provides flexibility[1]

We have shaped a business to operate with a CET1 ratio of between 13% to 14% by FY'23.

Our CET1 ratio is well above our target range and our Maximum Distributable Amount.

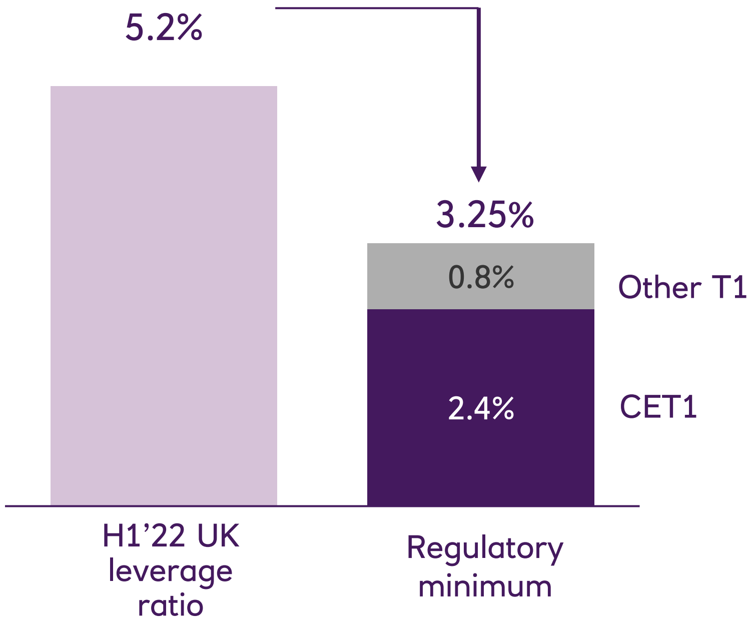
CET1 headroom above minimum regulatory requirements and medium term target[1,2]



In response to COVID-19, many countries reduced their Countercyclical Buffer (CCyB) rates. In December 2021, the Financial Policy Committee announced an increase in the UK CCyB rate from 0% to 1%, effective December 2022 and then is set to increase from 1% in December 2022 to 2% in July 2023.

Total Leverage requirements[2,3]

Total Tier 1 as a % of Leverage Exposure



1. Refer to detailed disclosure in NWG plc ARA. Headroom presented on the basis of target CET1, and does not reflect excess distributable capital. Headroom may vary over time and may be less in future.
2. Based on assumption of static regulatory capital requirements.
3. The countercyclical leverage ratio buffer is set at 35% of NatWest Group's CCyB.
4. NatWest Group plc's Pillar 2A requirements are set on a nominal capital basis which results in an implied 8.7% MDA. 56.25% of the total Pillar 2A requirement must be met from CET1 capital. Pillar 2A requirement is expected to vary over time and is subject to at least annual review.

Robust balance sheet with strong capital & liquidity levels

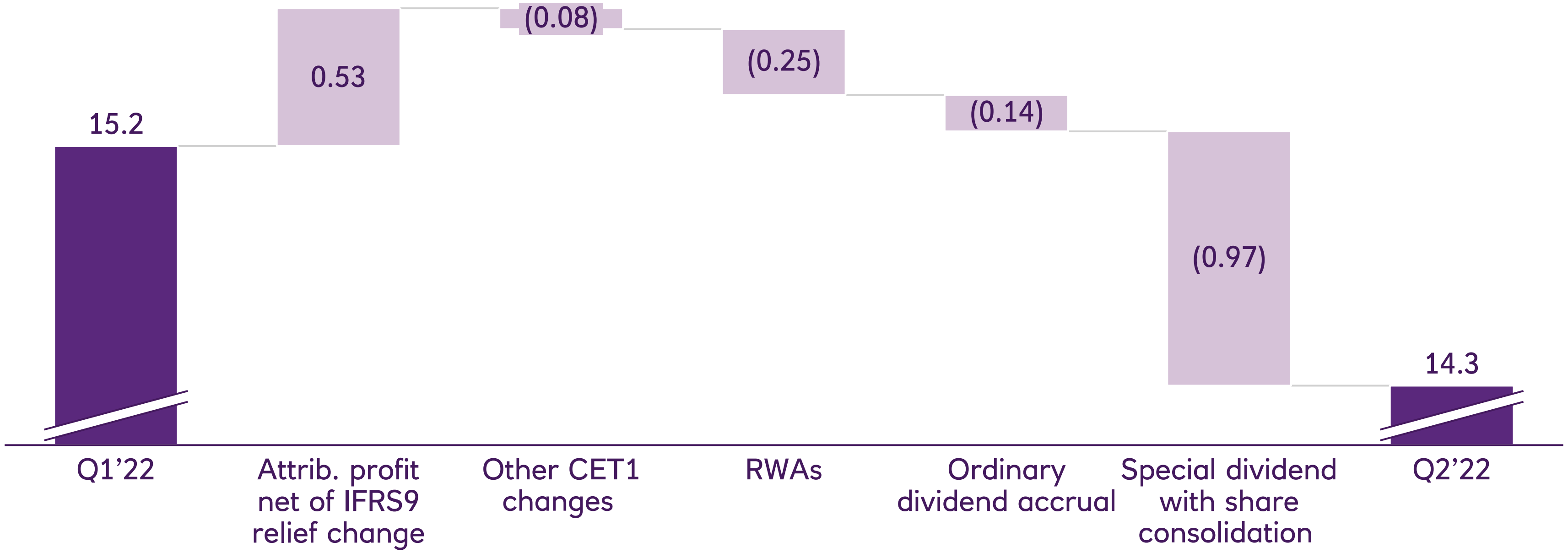
Continued sustainable capital generation with progress towards CET1 ratio of around 14% by end 2022

CET1 ratio 14.3% decreased 90bps in Q2 driven by the special dividend of £1.75bn and ordinary dividend accrual of £250m, partially offset by £1.1bn attributable profit

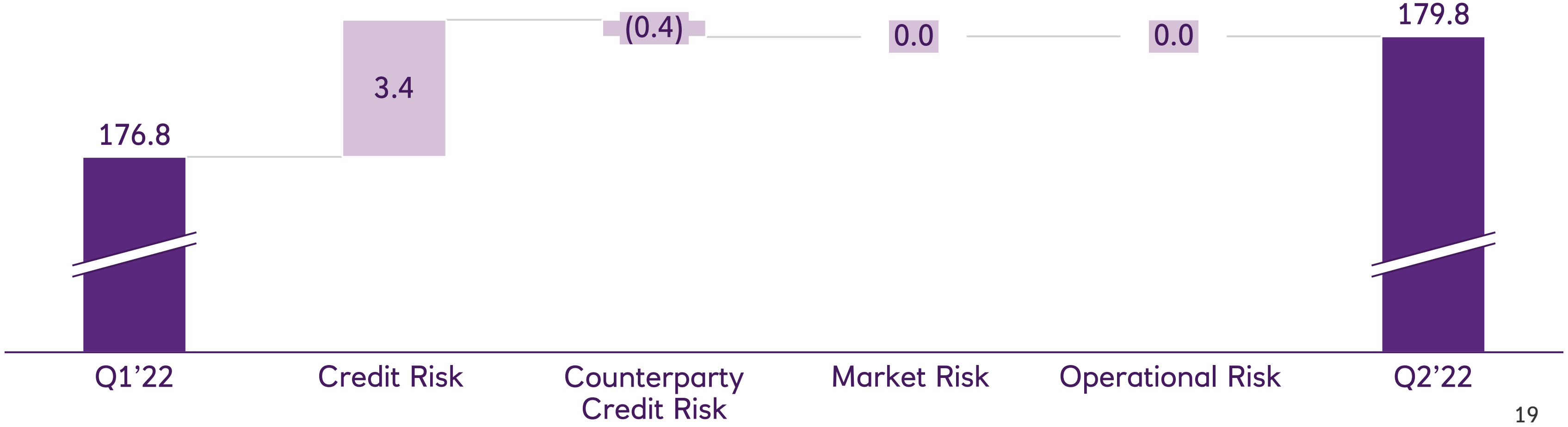
14.3% ratio includes IFRS 9 benefit of 16bps, down from 23bps at Q1’22

Credit Risk RWA increase is driven by lending growth and model updates

CET1 ratio, %[1]



RWA, £bn[1]



1. May not cast due to rounding.

Strong capital generation and distributions

NatWest Group is a highly capital generative business with a strong track record on risk diversification and management

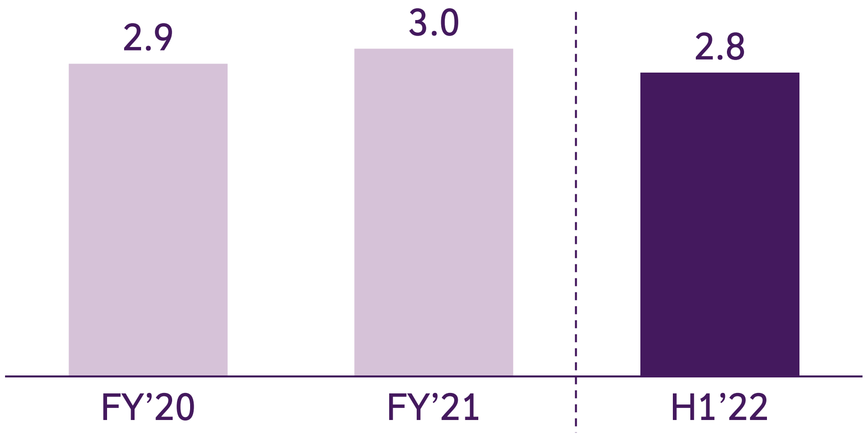
£3.3bn shareholder distributions announced for H1'22

Dividends and buybacks will continue to be tools to manage our capital position

Inorganic opportunities will be considered if they support our strategy and deliver value

Consistent, strong capital generation

Operating profit before impairments[1], £bn



Returning surplus capital to shareholders and helping the Government exit its stake

- £1.75bn special dividend, 16.8p per share, with share consolidation announced
- £0.4bn interim dividend, 3.5p per share announced
- £1.2bn directed buyback completed in Mar'22, Government holding at around 49%
- £750m second on-market buyback complete – reducing sharecount, EPS accretive

1. Go-forward group.

Robust balance sheet with strong capital & liquidity levels

Significant surplus liquidity

Liquidity position reflects strong customer deposit growth during the pandemic and includes TFSME drawings of £12bn

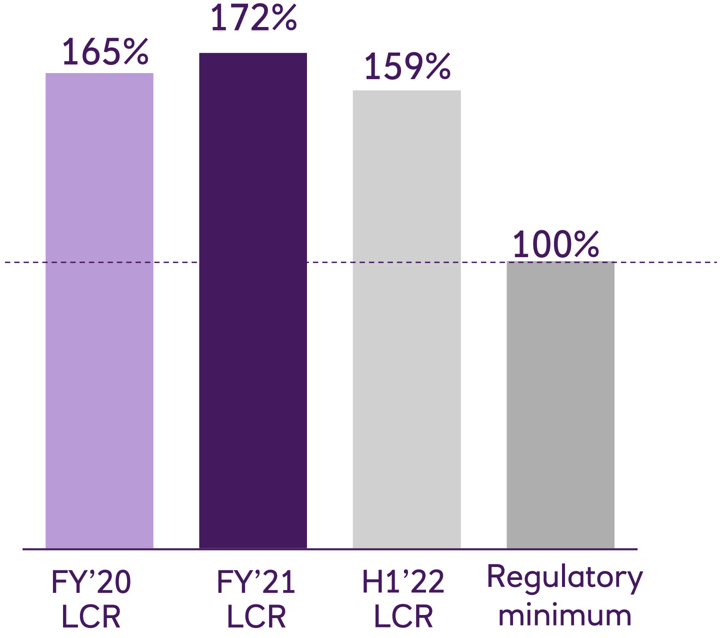
Primary liquidity decreased ~£10bn in the first half on increased customer lending, share buybacks and wholesale funding redemptions

Secondary liquidity decreased £8bn reflecting a reduction in the pre-positioned collateral at the Bank of England.

1. Total LCR level 1 assets liquidity value.

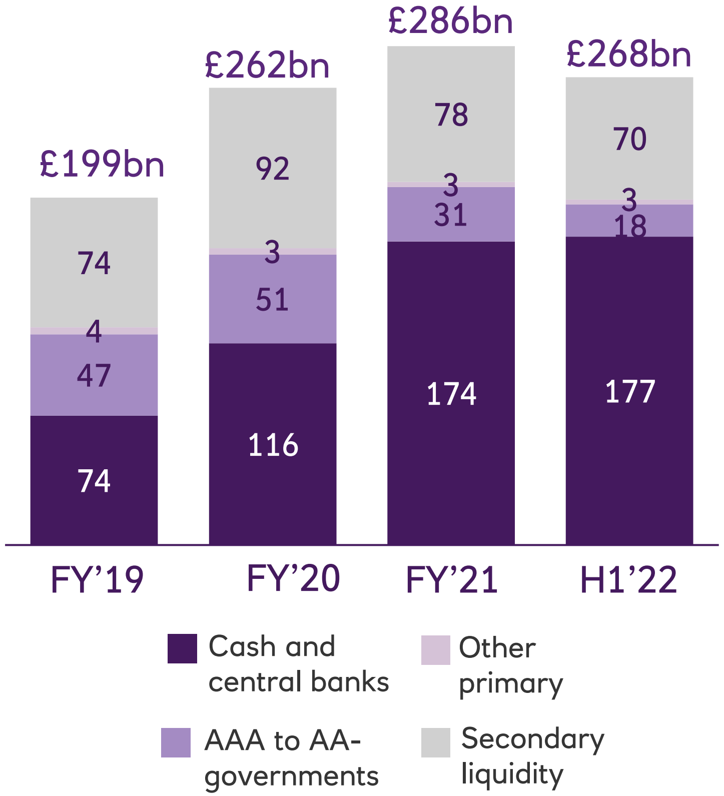
Liquidity coverage ratio remains well above min UK requirement

£76.1bn surplus liquidity over minimum requirement



High quality liquidity pool

£198bn[1] of primary liquidity with a mix of cash and high quality sovereign bonds



Robust balance sheet with strong capital & liquidity levels

Stable and diversified funding sources

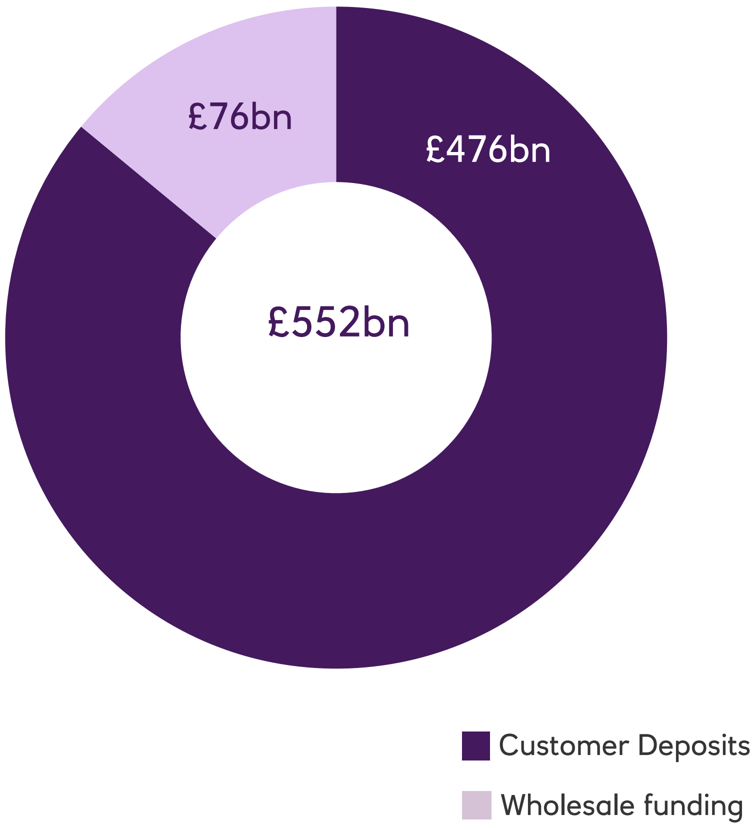
Customer deposits in the Go-forward group represent ~86% of our total funding mix.

Our wholesale funding reflects a range of different sources, maturities and currencies

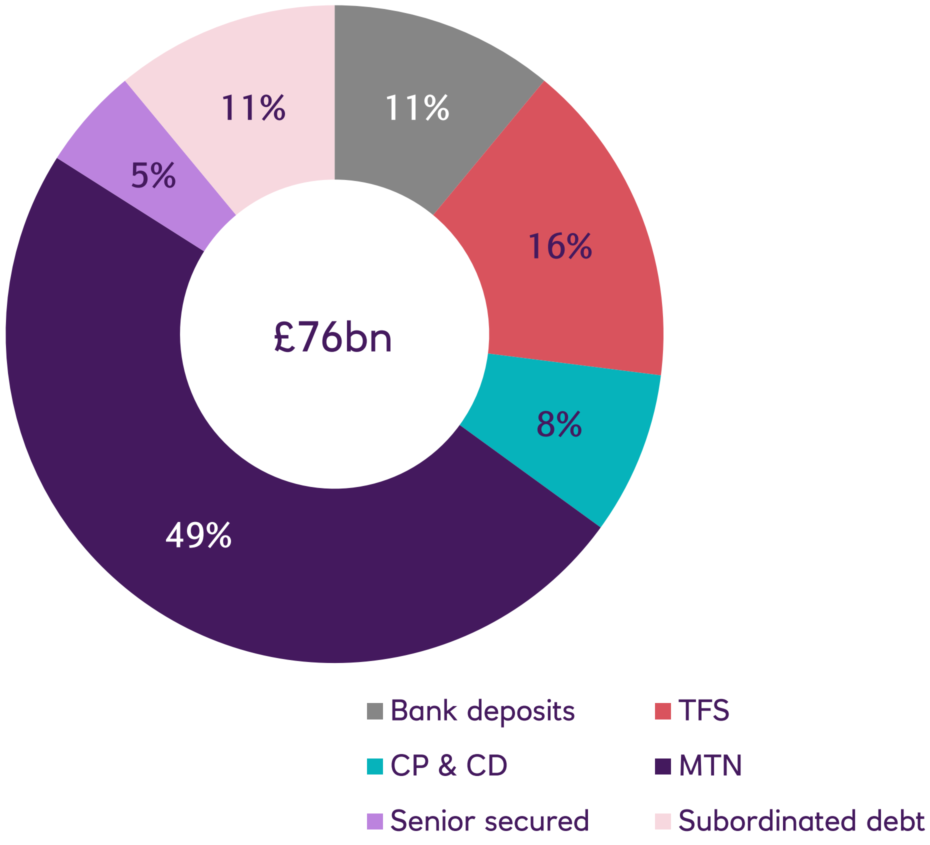
~40% of our wholesale funding is to meet the Group's total MREL requirements

Funding profile H1'22

Total funding mix (£bn)[1,2]



Wholesale funding mix (£bn)[1]



1. Wholesale funding excluding repos, derivative cash collateral.
2. Customer deposits includes NBFIs repo balances.

Robust balance sheet with strong capital & liquidity levels

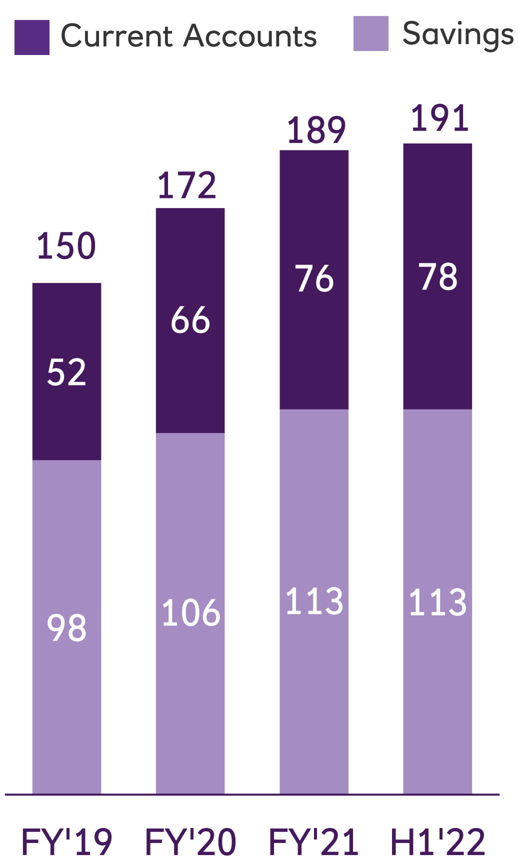
Strong customer deposit inflows

Deposits increased by £14.8bn in the Go-forward group during H1’22

Retail Banking deposits increased £1.6bn

Commercial & Institutional deposits increased £5.7bn and Private increased £2.3bn

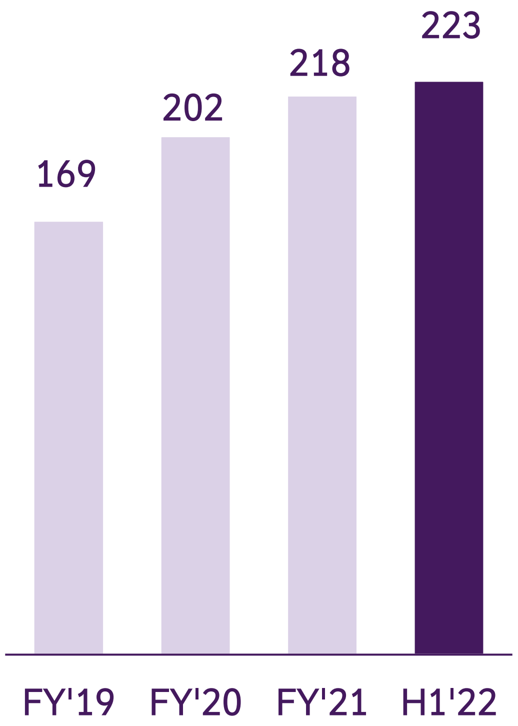
Retail Banking £bn



% of Go-forward group deposits[1]

40%

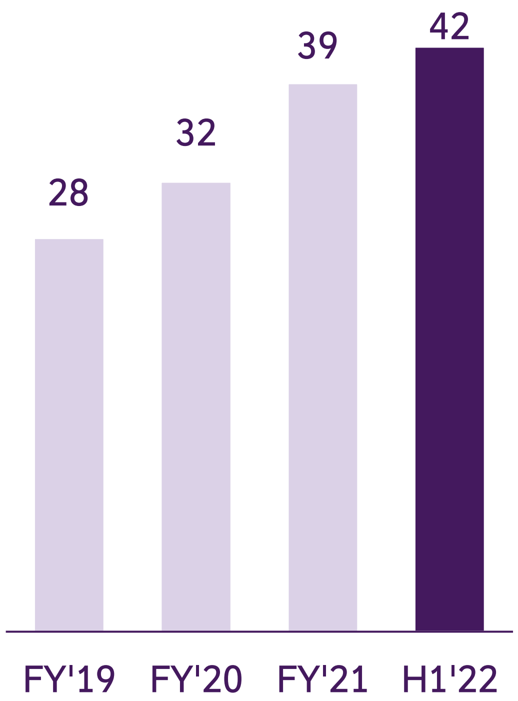
Commercial & Institutional £bn



% of Go-forward group deposits[1]

47%

Private £bn



% of Go-forward group deposits[1]

9%

1. Go-forward group also includes deposits within Central items and Other.

Figures may not sum due to rounding.

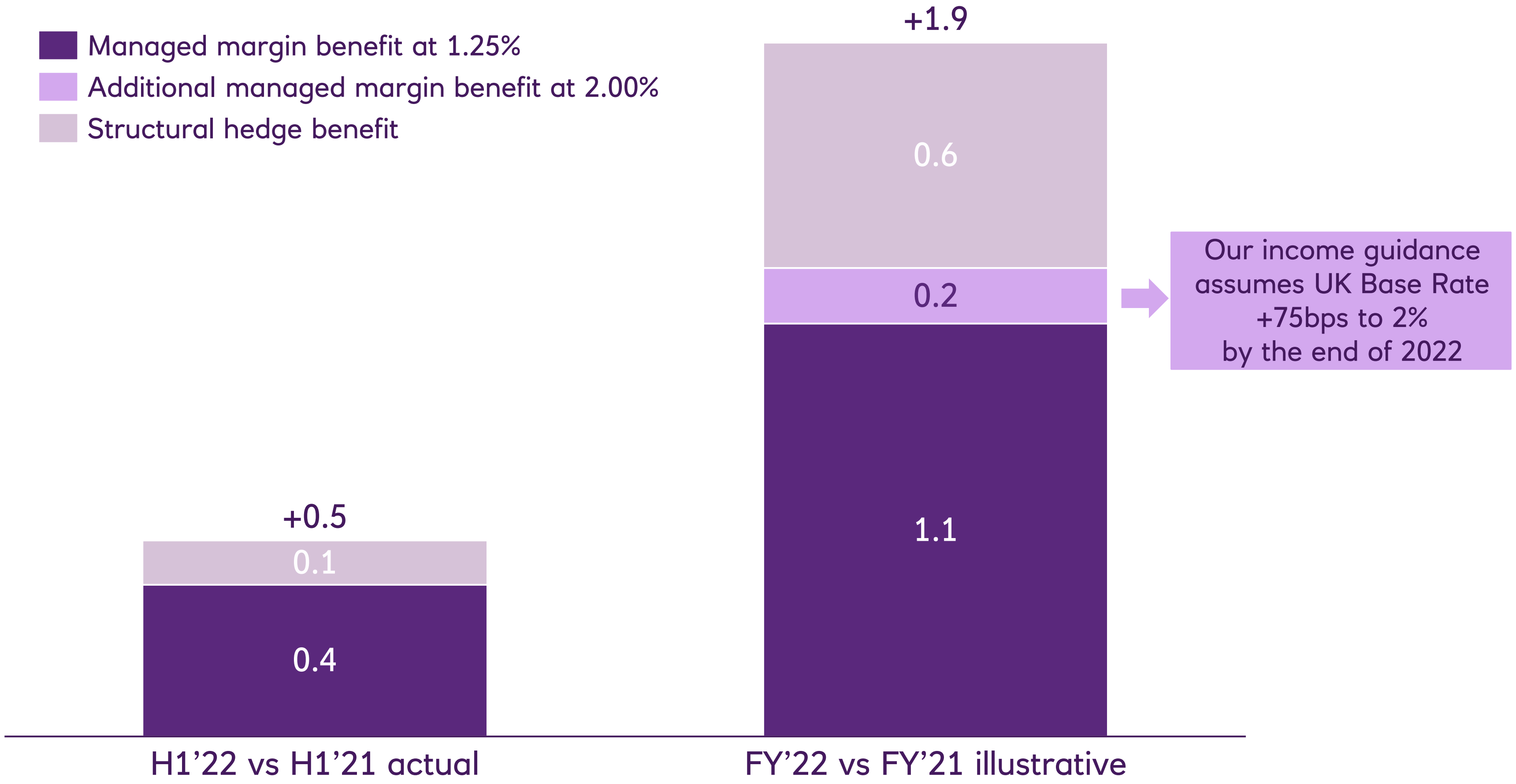
We remain well positioned for rising interest rates

Sizeable tailwind into H2’22 and FY’23 from 115bps increase in UK base rate to 1.25% through to 30 June 2022. We assume a further 75bps increase in UK base rate to 2% by end 2022, with illustrative benefit of £0.2bn in 2022, with full run-rate benefit into 2023.

Go-forward group customer deposits were £476bn in H1’22 of which around half are unhedged

Managed margin and structural hedge benefits versus 2021:

Net interest income growth year-on-year[1], £bn



Structural hedge	H1'21	FY'21	Q1'22	Q2'22	H1'22
Period end notional (£bn)	190	206	213	230	230
Total yield (%)	0.80	0.75	0.72	0.84	0.78

1. The FY’22 illustration is based on the sterling component of the sensitivity of net interest earnings disclosure reflects the illustrative income growth following the initial Base Rate increase in December 2021 through to 2% by end 2022. Our latest sensitivity of net interest earnings disclosure can be found on pages 75 to 76 of the H1’22 IMS.

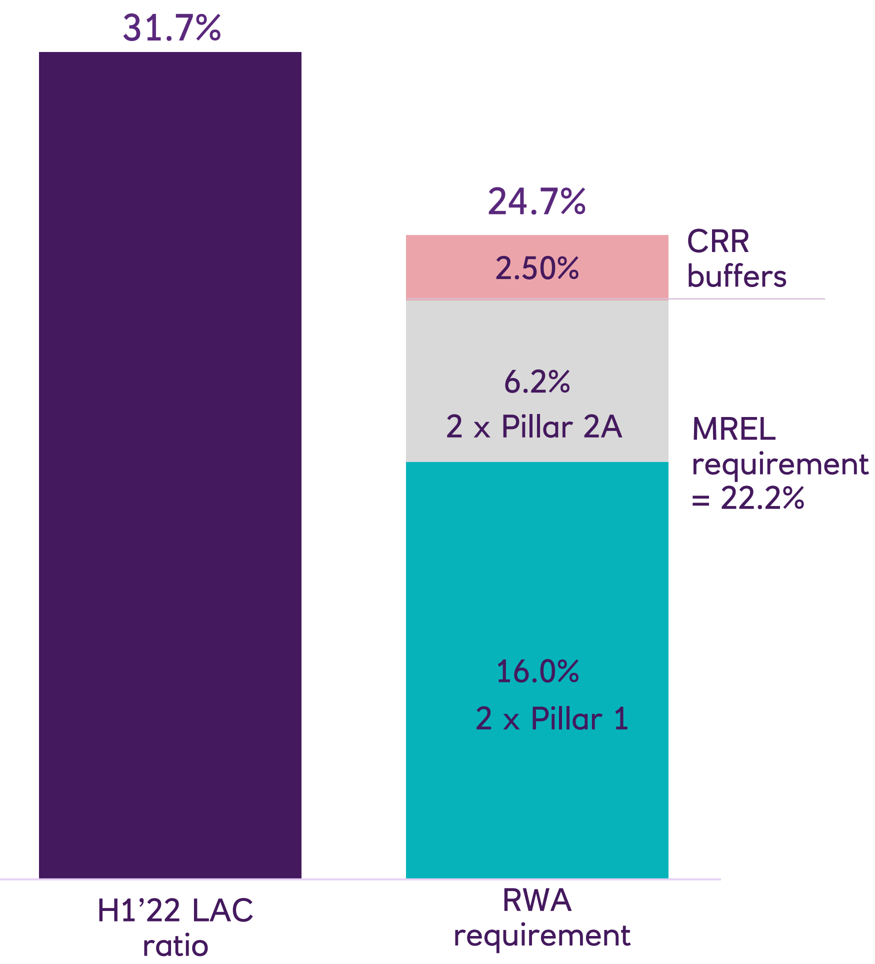
Total MREL resources comfortably above requirements[1]

Total loss absorbing capital ratio of 31.7% is above the Bank of England (BOE) requirement of 24.7% at H1'22, including CRDIV combined buffer requirements.

Total MREL eligible senior stock in issue is now £22bn.

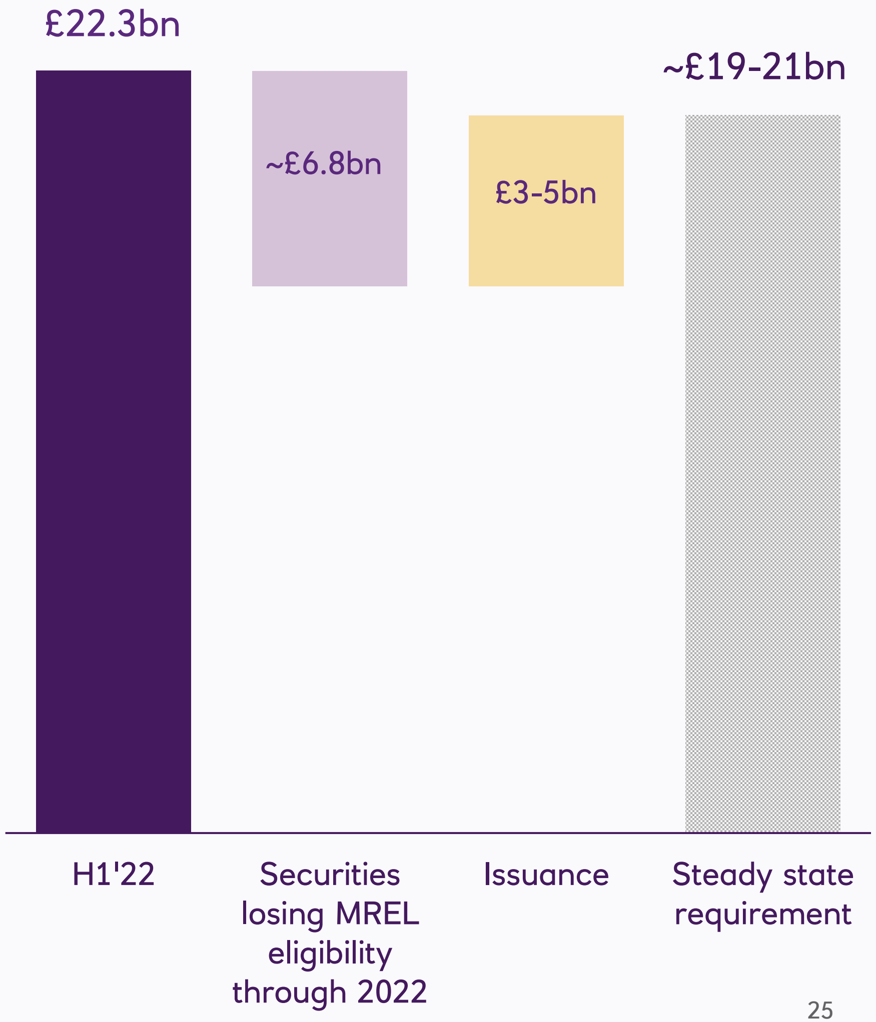
Total Loss Absorbing Capital (LAC)[1,2]

£bn as at 30th June 2022



Senior MREL profile 2022-23

Loss Absorbing Capital (LAC) value[2]
£billion equivalent



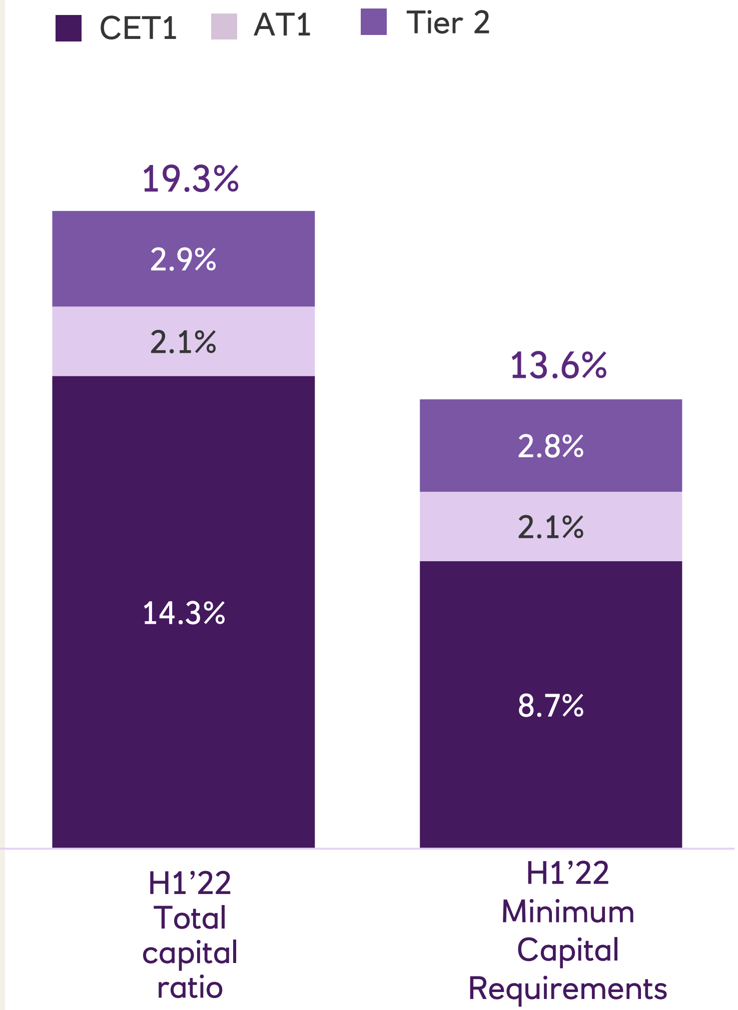
1. "MREL" = Minimum required eligible liabilities.
2. Illustration, based on assumption of static regulatory capital requirements. End state MREL requirement is set at 2x (Pillar 1+ Pillar 2A) per Bank of England guidance. From July 2020 the Pillar 2A requirement is set as a notional amount. Pillar 2A requirement held constant over the period for illustration purposes. Requirement is expected to vary over time and is subject to at least annual review.

Total capital in excess of 2022 capital requirements[1]

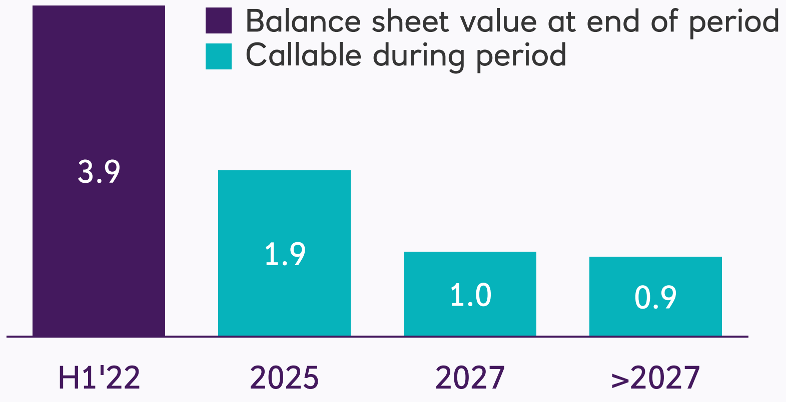
Next call on AT1 is 2025

Tier 2 issuance requirements determined by refinancing need and subject to RWA evolution

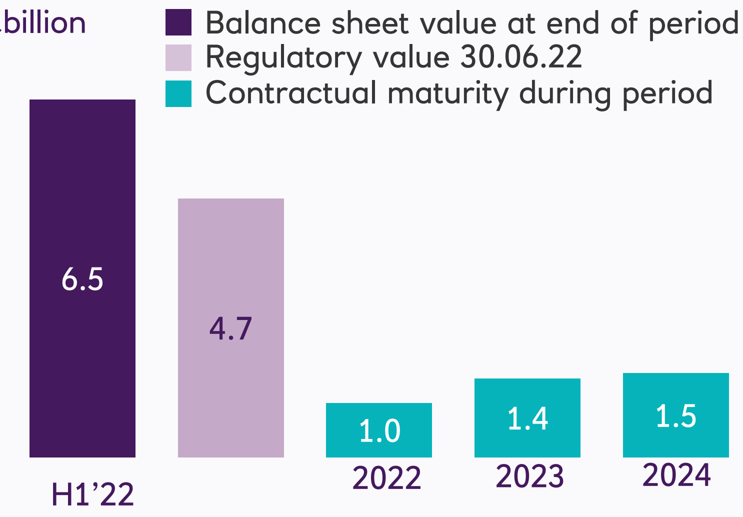
Total Capital versus minimum requirements
CRR end-point basis, % RWA



NWG plc AT1 call profile
Balance sheet value, £billion



NWG plc Tier 2 contractual maturity profile
£billion



1. Illustration, based on assumption of static regulatory capital requirements.

Optimising the capital stack for regulatory efficiency

Capital management actions over recent years have significantly reduced the legacy capital stack

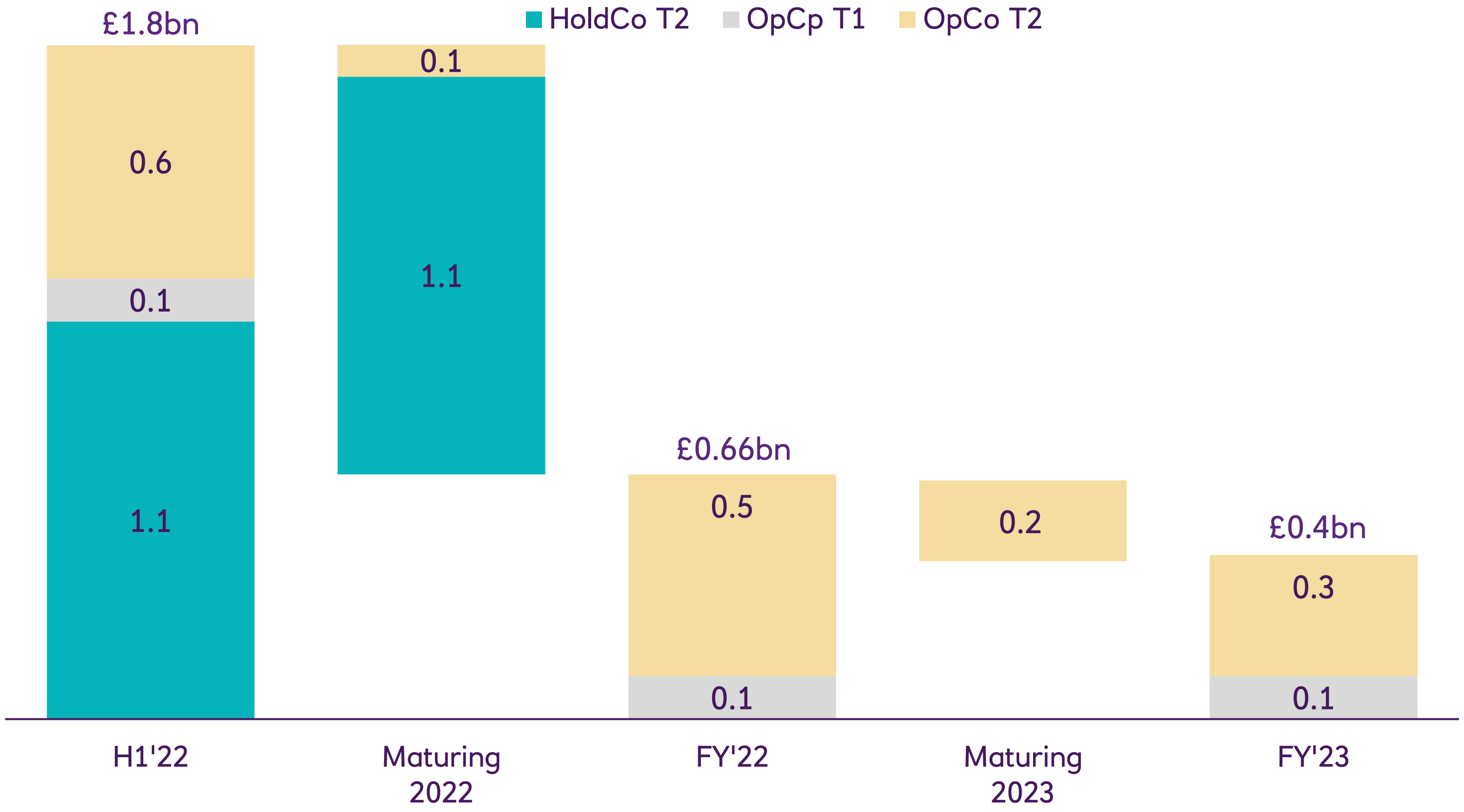
Legacy capital securities now constitute less than £2bn, around 3% of total LAC

In Q1'22, we called ~£0.6bn of capital securities

Further reductions in 2022 through a combination of maturities, calls and potential for targeted LMEs

Legacy run-off profile

Notional value, GBP equivalent[1]



1. May not cast due to rounding.

Issuance and capital management progress

NatWest Group plc issued ~£1.6bn MREL eligible senior unsecured in H1'22 against FY'22 plan of £3-5bn.

NatWest Markets Plc issued ~£3.3bn senior unsecured in H1'22, in public benchmark format, against FY'22 plan of £4-5bn

	2022 guidance	H1 2022 progress
NatWest Group plc HoldCo	~£3-5bn Senior unsecured from NatWest Group plc	NWG £750m 7NC6 Senior Unsecured NWG $1bn 6NC5 Senior Unsecured
NatWest Markets Plc OpCo	~£4-5bn Senior unsecured public benchmark issuance from NatWest Markets Plc	NWM €1bn 5Yr Senior Unsecured EMTN NWM CHF300m 3Yr Senior Unsecured EMTN NWM $1.5bn 3yr dual-tranche Senior Unsecured 144A NWM €1.25bn 3Yr dual-tranche Senior Unsecured EMTN

NatWest Group plc, NatWest Markets Plc and NatWest Markets N.V. ratings remain on positive outlook from Moody's

Moody's recently aligned the rating of UBIDAC to that of NatWest Bank Plc, upgrading the long-term deposit rating to A1/A1/Sta from A3/Baa1/RuR

Ratings outlook from S&P and Fitch is Stable across all group entities

Ratings as of 29/07/2022.

	Moody's	S&P	Fitch
Group holding company			
NatWest Group plc	Baa1/Pos	BBB/Sta	A/Sta
Ring-fenced bank operating companies			
NatWest Bank Plc	A1*/A1/Sta	A/Sta	A+/Sta
Royal Bank of Scotland plc	A1*/A1/Sta	A/Sta	A+/Sta
Ulster Bank Ireland DAC	A1*/A1/Sta	A-/Sta	BBB+/Sta
Non ring-fenced bank operating companies			
NatWest Markets Plc	A2/Pos	A-/Sta	A+/Sta
NatWest Markets N.V.	A2/Pos	A-/Sta	A+/Sta
NatWest Markets Securities Inc	NR	A-/Sta	A/Sta
RBSI Ltd	A3/Sta	A-/Sta	A/Sta

* Moody's Long-Term Bank Deposit Ratings

Our Sustainalytics rating is affirmed as low risk.

ISS ESG upgraded NatWest to C+ from C, Prime status affirmed.

MSCI, CDP and S&P CSA yet to publish reviewed ratings for 2022.

Ratings as of 29/07/2022.

ESG Ratings (1)	Scale	2019	2020	2021	2022
MSCI					
Rating	AAA to CCC	BBB	AA	AA	AA[2]
Sustainalytics ESG Risk Rating					
Rating	1-100 Negligible to Severe	27.7 Medium risk	20.5 Medium risk	17.3 Low risk	17.7 Low Risk
CDP					
Rating	A to D-	B	A-	B	B[2]
Industry average		C	B	B	
ISS ESG					
Rating	A+ to D-	C	C	C	C+
Prime Status		Prime	Prime	Prime	Prime
S&P CSA					
Score	100 to 1	71	41	63	63[2]
Percentile Rank		77th	60th	80th	

1. ESG ratings on this page (i) contain information developed by the relevant rating provider (such information and data are proprietary of the relevant rating provider or its information providers (Third Party Data)); (ii) are provided "as-is" and are not warranted to be complete, timely, accurate or suitable for a particular purpose by the relevant rating provider are provided for information purposes only; (iii) are unsolicited; (iv) do not constitute a sponsorship, endorsement, recommendation or promotion of NatWest Group or any of NatWest Group's product or project, nor an investment advice nor a warranty by the relevant rating provider; and (v) their use is subject to conditions of the relevant rating provider. Currently, ESG rating providers are not regulated like credit rating agencies. Some ESG ratings providers only rely on public information, so, their outputs may be subject to data gaps. ESG rating providers use different definitions, scope and methodologies leading to variation in ESG rating for any given company.
2. Score or rating yet to be reviewed for 2022.

Katie Murray

Chief Financial Officer

A purpose-led company with clear strategic priorities, strong franchises and capacity to grow

We are:
- Supporting our customers whilst growing and diversifying income
- A relationship bank for digital age
- Committed to leading on climate action
- Delivering strong performance to enable us to return capital to our shareholders

Accelerating growth with proactive risk management

Simplification via Digital and Technology

Disciplined deployment of capital

Long-term sustainable returns and distributions

14 – 16% RoTE for Group in 2023

Q&A

Fixed income investment proposition

A purpose-led company with clear strategic priorities, strong capital and liquidity positions and capacity to grow.

- ✓ **Capital generative** business with capital and leverage ratios well above minimum requirements and improving RoTE
- ✓ **Reducing state ownership** by efficiently deploying excess capital, including buybacks
- ✓ **Robust liquidity position** with high quality liquid asset pool and access to stable and diverse sources of funding
- ✓ **Progress on ratings** positions across the credit and sustainability rating agencies
- ✓ **Diversified issuance** with continued focus on GSS, in multiple currencies and tenors
- ✓ **Consistent access to Management**, regularly engaging with our investors

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 "Summary Risk Factors" on pages 106-107 of the NatWest Group plc H1 IMS and the "Risk Factors" on pages 406-426 of the NatWest Group plc 2021 Annual Report and Accounts, pages 136-157 of NatWest Group plc's 2021 Form 20-F as well as the "Summary Risk Factors" on pages 47-48 of the NWM H1 IMS and the Risk Factors on pages 179-200 of the NWM 2021 Annual Report and Accounts, respectively.

Cautionary statement regarding forward-looking statements

Certain sections in this document contain 'forward-looking statements' as that term is defined in the United States Private Securities Litigation Reform Act of 1995, such as statements that include the words 'expect', 'estimate', 'project', 'anticipate', 'commit', 'believe', 'should', 'intend', 'will', 'plan', 'could', 'probability', 'risk', 'Value-at-Risk (VaR)', 'target', 'goal', 'objective', 'may', 'endeavour', 'outlook', 'optimistic', 'prospects' and similar expressions or variations on these expressions. In particular, this document includes forward-looking targets and guidance relating to financial performance measures, such as income growth, operating expense, cost reductions, 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 areas 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: the Covid-19 pandemic and its impact on NatWest Group; planned cost reductions, disposal losses and strategic costs; implementation of NatWest Group's purpose-led strategy and other strategic priorities (including in relation to: its phased withdrawal from ROI, the NWM Refocusing and investment programmes relating to digital transformation of its operations and services and inorganic opportunities); 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, including with respect to goodwill; 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 and its other filings with the US Securities and Exchange Commission. The principal risks and uncertainties that could adversely NatWest Group's future results, its financial condition and prospects and cause them to be materially different from what is forecast or expected, include, but are not limited to: 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, supply chain disruption and the Russian invasion of Ukraine; the impact of the COVID-19 pandemic on NatWest Group and its customers; uncertainty regarding the effects of Brexit; changes in interest rates and foreign currency exchange rates; 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; refocusing of its NWM franchise; and the effect of the COVID-19 pandemic on NatWest Group's strategic objectives and targets); financial resilience risk (including in respect of: NatWest Group's ability to meet targets and to make discretionary capital distributions; the competitive environment; impact of the COVID-19 pandemic on the credit quality of NatWest Group's counterparties; counterparty and borrower risk; prudential regulatory requirements for capital and MREL; the adequacy of NatWest Group's future assessments by the Prudential Regulation Authority and the Bank of England; liquidity and funding risks; changes in the credit ratings; the requirements of regulatory stress tests; goodwill impairment; model risk; sensitivity to accounting policies, judgments, assumptions and estimates; changes in applicable accounting standards; the value or effectiveness of credit protection; and the application of UK statutory stabilisation or resolution powers); climate and sustainability risk (including in respect of: risks relating to climate change and the transitioning to a net zero economy; the implementation of NatWest Group's climate change strategy, including publication of an initial climate transition plan in 2023 and climate change resilient systems, controls and procedures; climate-related data and model risk; the failure to adapt to emerging climate, environmental and sustainability risks and opportunities; changes in ESG ratings; increasing levels of climate, environmental and sustainability related regulation and oversight; and climate, environmental and sustainability-related litigation, enforcement proceedings and investigations); operational and IT resilience risk (including in respect of: operational risks (including reliance on third party suppliers); cyberattacks; the accuracy and effective use of data; complex IT systems (including those that enable remote working); attracting, retaining and developing senior management and skilled personnel; NatWest Group's risk management framework; and reputational risk); and legal, regulatory and conduct risk (including in respect of: the impact of substantial regulation and oversight; compliance with regulatory requirements; the outcome of legal, regulatory and governmental actions and investigations; the transition of LIBOR other IBOR rates to alternative 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 report are not measures within the scope of International Financial Reporting Standards ('IFRS') and 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 and net zero strategy 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 report 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 2021 Climate-related Disclosures Report.

No securities offering

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.