NatWest Group
H1 2022 Results

29 July 2022

Alison Rose
Chief Executive 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

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).

1 Deepening relationships and acquiring new customers

Focused on engaging customers earlier in their life cycle to build customer primacy and increase Customer Lifetime Value

Anticipating customer needs with personal, data driven analytics to deepen relationships

Creating simpler digital journeys and providing personalised insights to do more with our existing customers and attract new ones

Retail Banking	Private Banking	Commercial & Institutional
Opportunity		
Deepen penetration of high value addressable markets	Increase client 'Needs Met'; grow AuMA & HNW mortgages	Better support our non personal customers throughout their lifecycle
New current accounts opened in H1'22	**New connections in H1'22**	**New accounts opened for start-ups in H1'22**
+310k	+1.1k	+49k
	20% via Group referrals	*39% via Mettle*
▪ **Launched NatWest Rooster Money** (acquired 130k customers); 17k customers signed up already in H1'22	▪ **17k Affluent customers onboarded** in H1'22 vs. 25k in all of 2021	▪ **Helping fast growing companies to thrive** at all stages of their lifecycle by providing specialised support

1. Main transmission account.

2 Supporting customers through their energy transition presents opportunities for growth

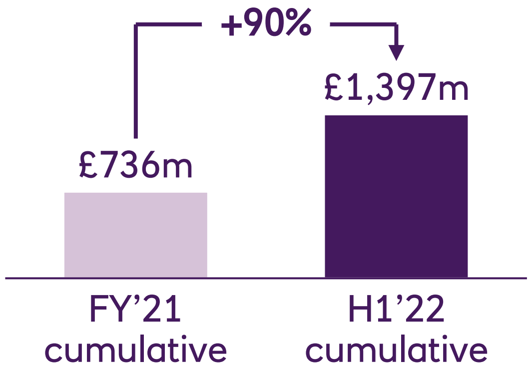
Financial sector is a key enabler in the drive towards net-zero emissions

Helping our customers by introducing new products and insights at pace

Developing our climate transition plan to demonstrate progress on our climate ambitions

Retail Banking

Retail Banking green mortgage cumulative completions[1]



- **Over 300k customers accessed their carbon footprint** so far this year via a feature in our mobile app[2]

Private Banking

Recognised as having one of the best sustainability offerings in UK

Best Bank Sustainability Offering (Investments) - UK

WealthForGood AWARDS 2022
Global Awards by WealthBriefing

- **50% of assets under management on a net zero trajectory by 2025[3]**

Commercial & Institutional

Green, Social and Sustainability bond underwriting position[4]

#1	#2
GBP	Europe

- **Carbonplace now has 9 members** – world's first transparent global marketplace for carbon offsets

Delivered **£20bn of £100bn** target[5] for Climate Sustainable Funding and Financing

1. Retail Banking only, mortgages labelled "green" premised on EPC A or B energy efficiency ratings of homes. Cumulative completions since launch in Q4 2020, including £8m in FY'20. 2. YTD as at 21 July. Available footprint within NatWest, Royal Bank of Scotland or Ulster Bank Northern Ireland banking app. 3. Commitment covers all core managed funds and discretionary portfolios. Net Zero Trajectory is a commitment, credible plan or action taken to achieve net zero greenhouse gas emissions by 2050. 4. #1 for supporting all UK customers who issue Green, Social and Sustainability labelled debt, 2022 year to date. NatWest Markets was also #2 lead manager for European corporate Green, Social and Sustainability labelled debt, 2022 year to date, as well as #2 lead manager of European FIs in the same sector. Year to date as at 1 July 2022. Source: Dealogic. 5. Additional CSFF between 1 July 2021 and end of 2025.

3 Diversifying income streams

Investment-led and innovation driven approach to meet more of our customer needs and drive income growth

Delivering growth in credit cards within risk appetite

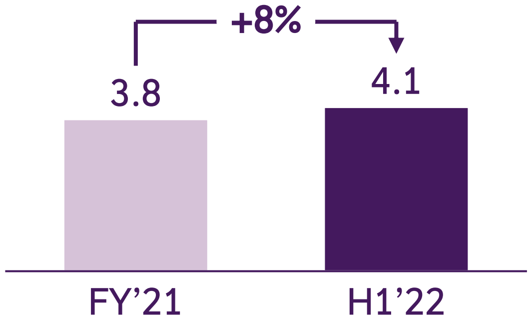
Targeting significant AuMA growth through Affluent and via digital invest

Building strong momentum in FX across all our customers

Increasing our share of Youth and student customers

Retail Banking

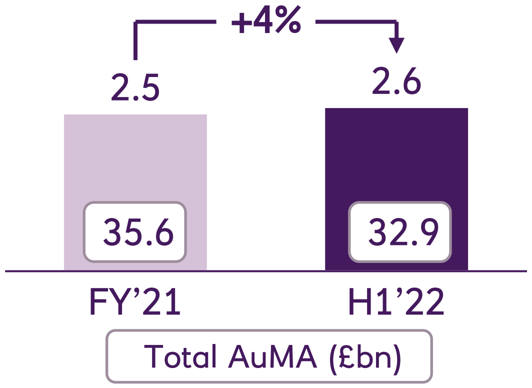
Credit card balances, £bn



- 6.5% Credit card market share in Q2'22, +10bps vs. Q1'22; 168k cards issued in H1'22, strongest start to year since 2014
- Increased student current account flow share to 12.5% from 8.3% in FY'19[2]

Private Banking

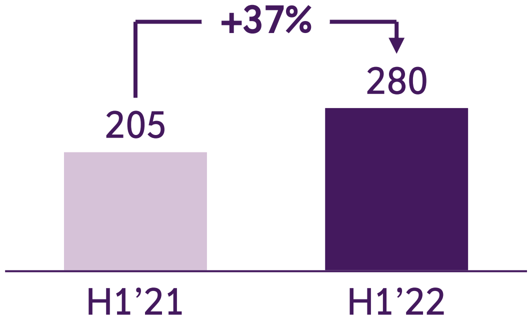
Affluent AuMA[1], £bn



- Personal digital investment funds[3] grew to ~£0.8bn in 3 years through to FY'20 and doubled to ~£1.6bn in FY'21
- £1.4bn Net New Money in H1'22, similar amount as whole of FY'20; a strong result in a volatile market

Commercial & Institutional

NWM FX income, £m



- ~200 new Mid Corporate customers transacted FX with NatWest Markets in H1'22; ~350 since launch in Apr'21
- Strong growth in customer activity with Private Funds and Corporate customers over H1'22

1. Affluent also includes Retail customers who have a NatWest/ Royal Bank Invest product. Affluent AuMA are managed by Coutts. Channels include digital, face to face, hybrid as well as dealing and administration. 2. CACI - flow share of 11-17 on a 12 month rolling basis. 3. NatWest Invest, Royal Bank Invest and Coutts Invest Digital and Hybrid channels. Excludes dealing and administration.

We are a relationship bank for a digital world delivering improved customer experience and productivity

Using data to meet more of our customer needs and improve engagement

Simplifying and improving the digital experience drives efficiency, customer satisfaction and growth

We are meeting our customers' needs digitally

- **61%** Retail customers bank entirely digitally (50% Mar'20)[1]
- **88%** Retail customer needs met digitally (53% FY'19)
- **84%** Commercial customers digitally active (76% FY'19)
- **93%** of all youth accounts opened digitally (38% FY'19)

We are investing in improving our customer journeys

- **70%** Retail account opening straight through processing (14% FY'19)
- **96%** Credit card application straight through processing (84% FY'19)[2]
- **5.3m** Retail Cora conversations in H1'22, same level as FY'19; **49%** required no human intervention[3]
- **157k** Commercial digital service requests in H1'22, up from 6k in all of 2019

Strong customer satisfaction outcomes driving customer acquisition

- **+17** Retail NPS (+4 FY'19)[4]
- **+46** Retail mobile NPS (+44 FY'19)[4]
- **+28** Affluent NPS (-2 FY'19)[4]
- **+52** Business Banking Mobile NPS (+51 FY'19)[4]
- **+23** One of the leading Commercial Banking NPS[5]

1. Retail Banking current account customers only based on the average for the last month of the period. Mar'20 is when the metric started being tracked. 2. Excludes legacy platforms. 3. Retail also includes Business Banking customers using Online / Mobile Channels. 4. Source: Internal NPS survey. 5. Source: MarketVue Business Banking from Savanta, Q2 2022 data, compared with customers of other banks with a turnover of £2m+ in England and Wales. NatWest's main-bank NPS is 23 (n=570).

Effective capital allocation across a well diversified loan book

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

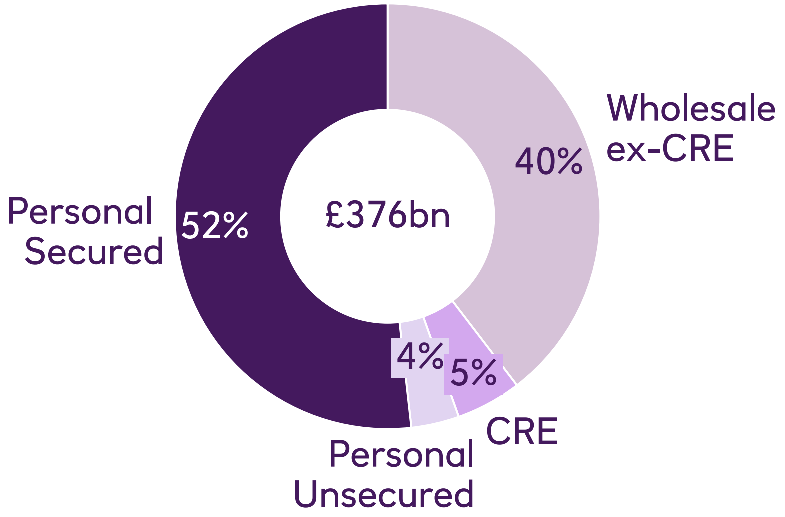
High quality lending book and low level of defaults driving further impairment release

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

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

Well diversified loan book, strong track record on risk management

Loans - amortised cost and FVOCI, £bn



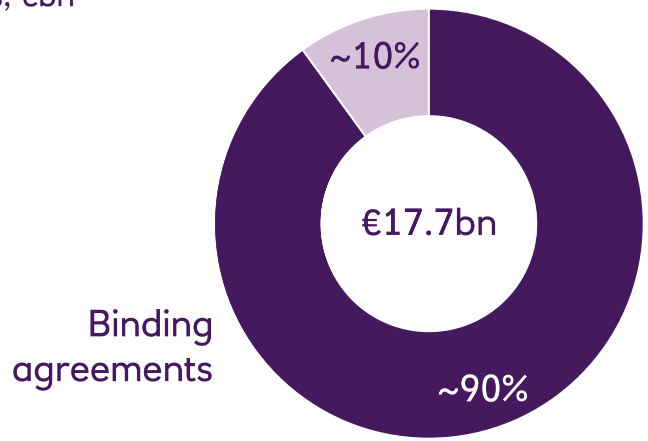
93%
Personal lending secured with 92% Mortgage book fixed

53%
Average mortgage LTV

48%
Average CRE LTV

Ulster Bank ROI withdrawal progressing well[1]

Loans, €bn



- 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

Strong capital generation and distributions

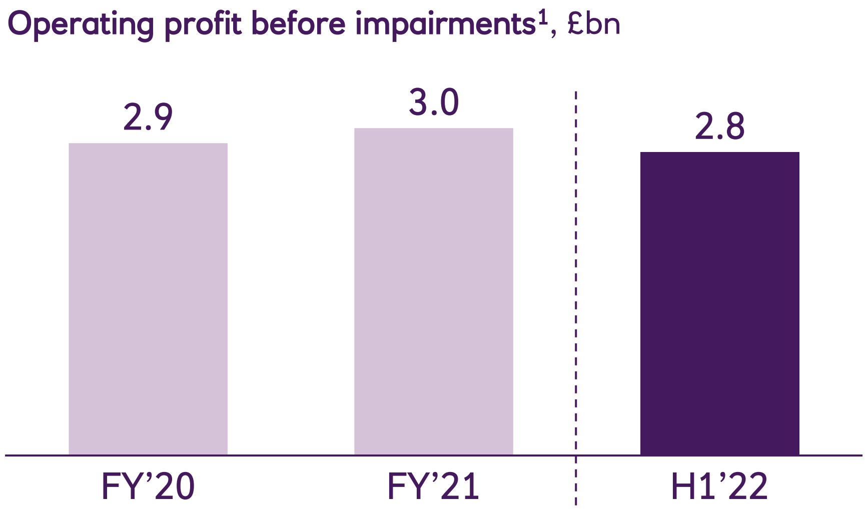
NatWest Group is a highly capital generative business with a strong track record on risk diversification and management

£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



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

Strengthened guidance

Strengthened guidance underpinned by:

- Strong customer franchises
- Continued lending growth
- Well diversified balance sheet
- Strong credit quality
- Strong capital position

Well positioned to deliver for our customers and shareholders in a challenging environment

Income[1,2]	Around £12.5bn in 2022
Costs[3]	~3% reduction in 2022 and broadly stable in 2023 with positive operating jaws
Capital	CET1 ratio of 13-14% by 2023; ~14% by end 2022
RoTE	14 – 16% for Group in 2023

1. Go-forward group is NWG excluding Ulster Bank RoI. 2. Income excluding notable items. 3. Go-forward group other operating expenses defined as total operating expenses excluding litigation and conduct.

Katie Murray

Chief Financial Officer

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%**

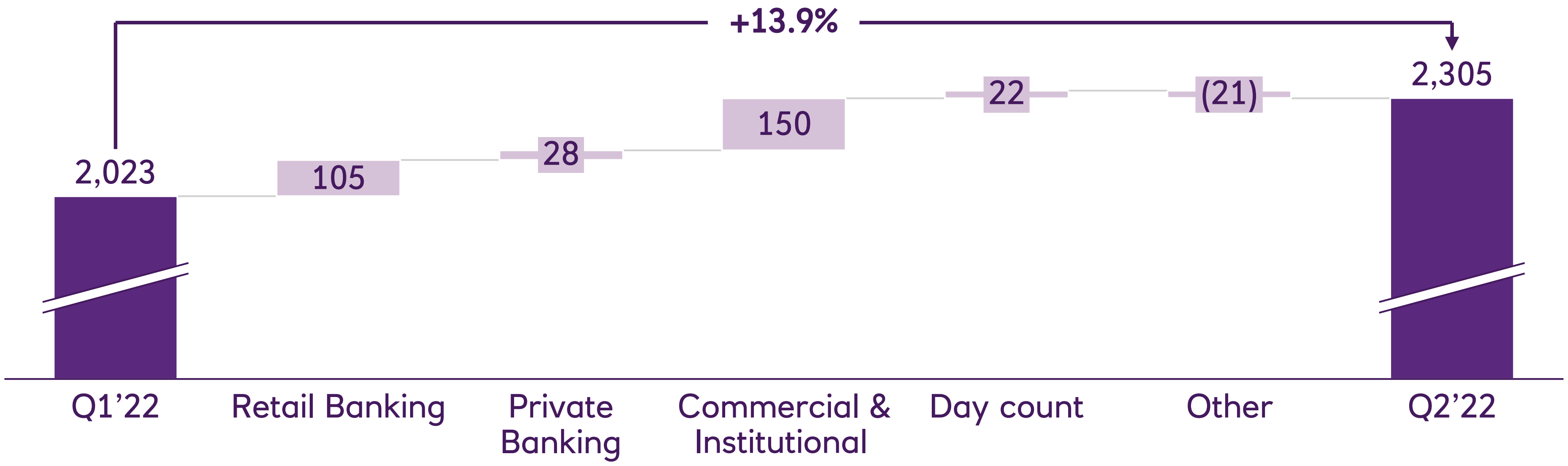
1. Go-forward group is NWG excluding Ulster Bank RoI.
2. Notable income items as per slide 35.

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

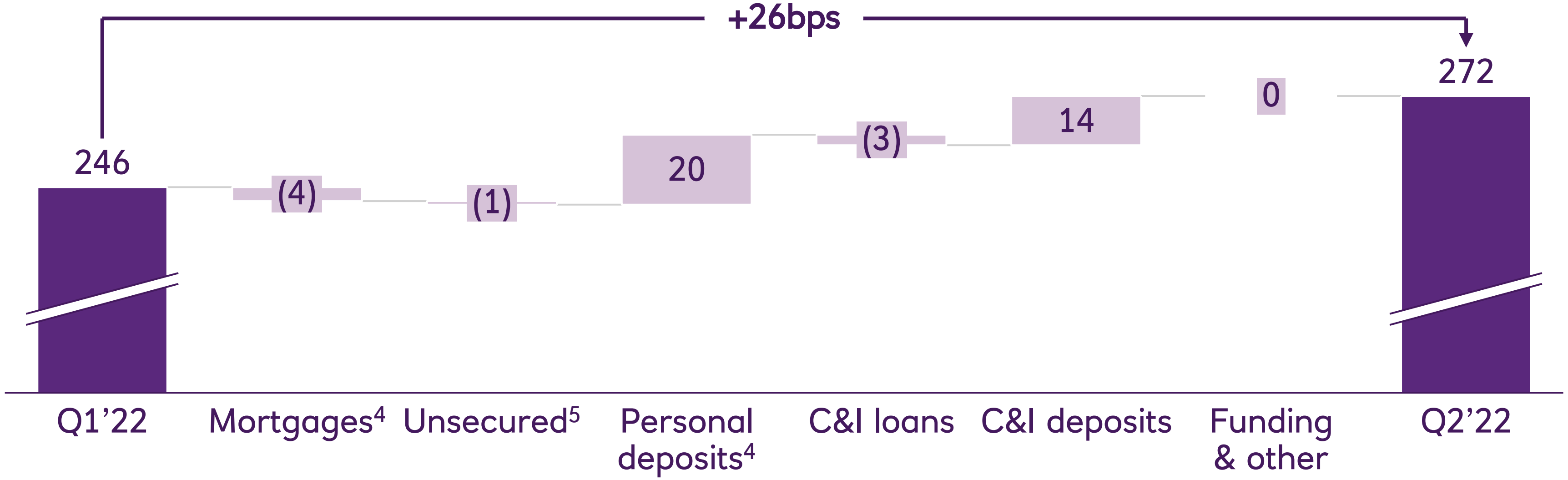
Net interest income was up 13.9% in the quarter driven by higher margin and strong lending

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.

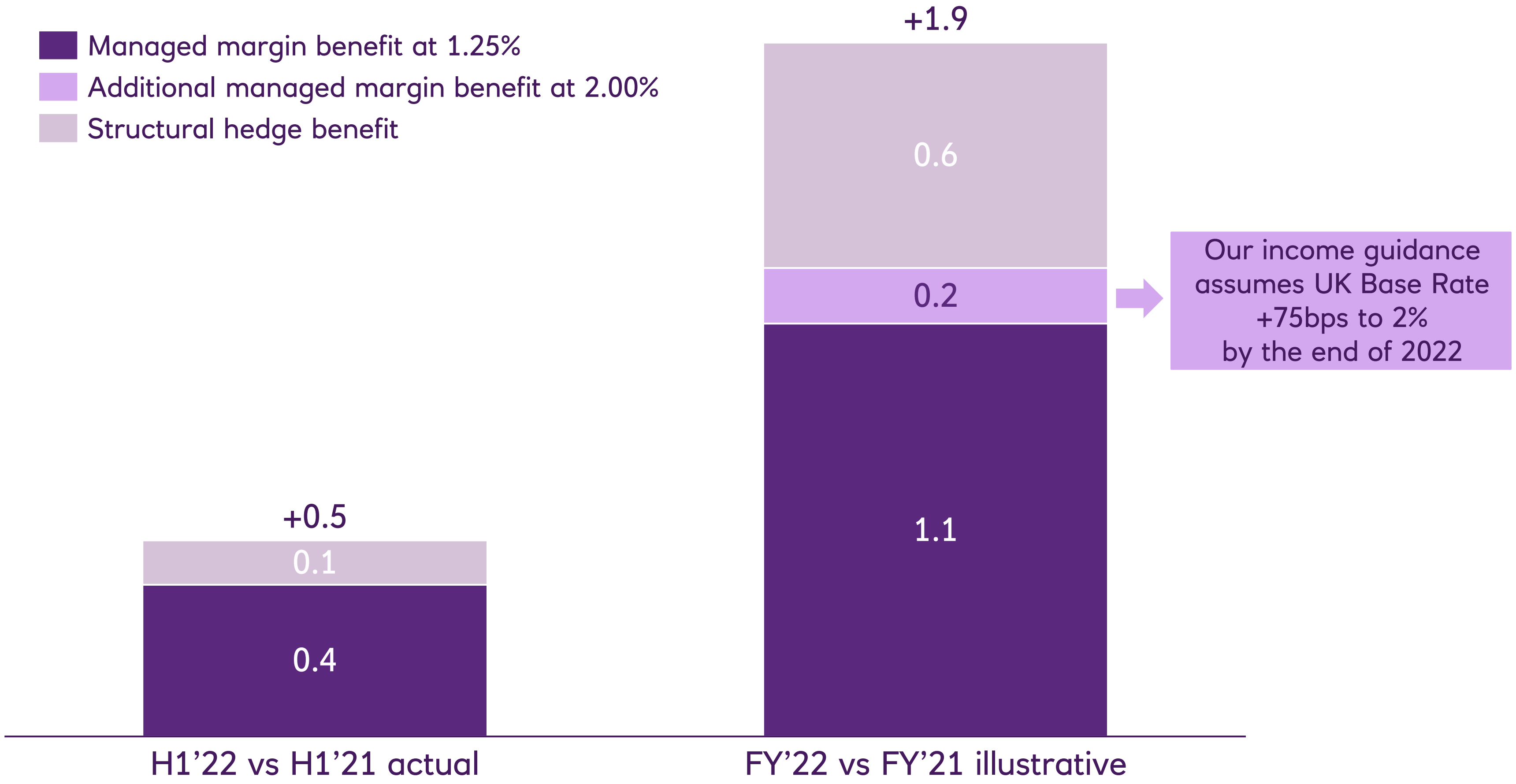
We remain well positioned for rising interest rates

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 an 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 and 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.

Strong loan growth

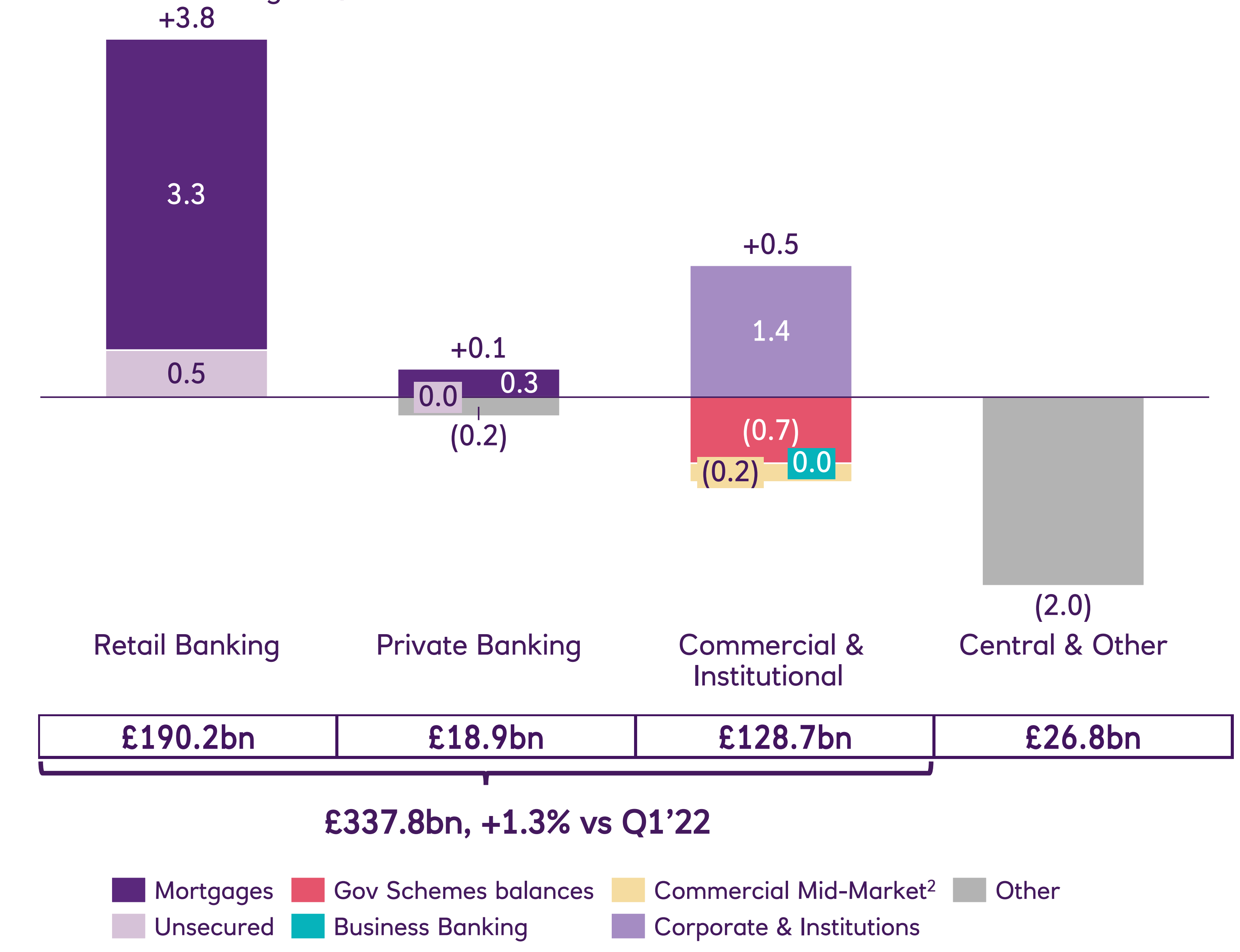
Gross loans[1] to customers across our three franchises are up £4.4bn, or 1.3%, in the quarter to £337.8bn

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

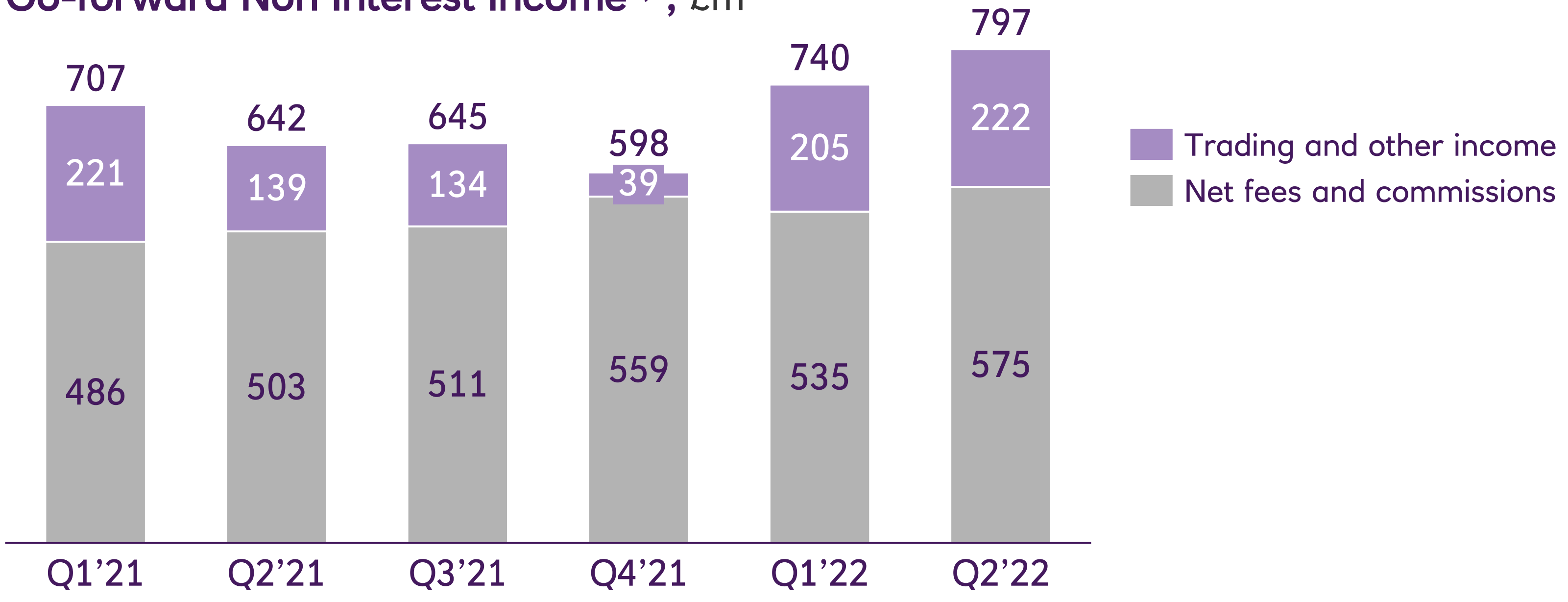
Non-Interest Income[1] growth from increased customer activity

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

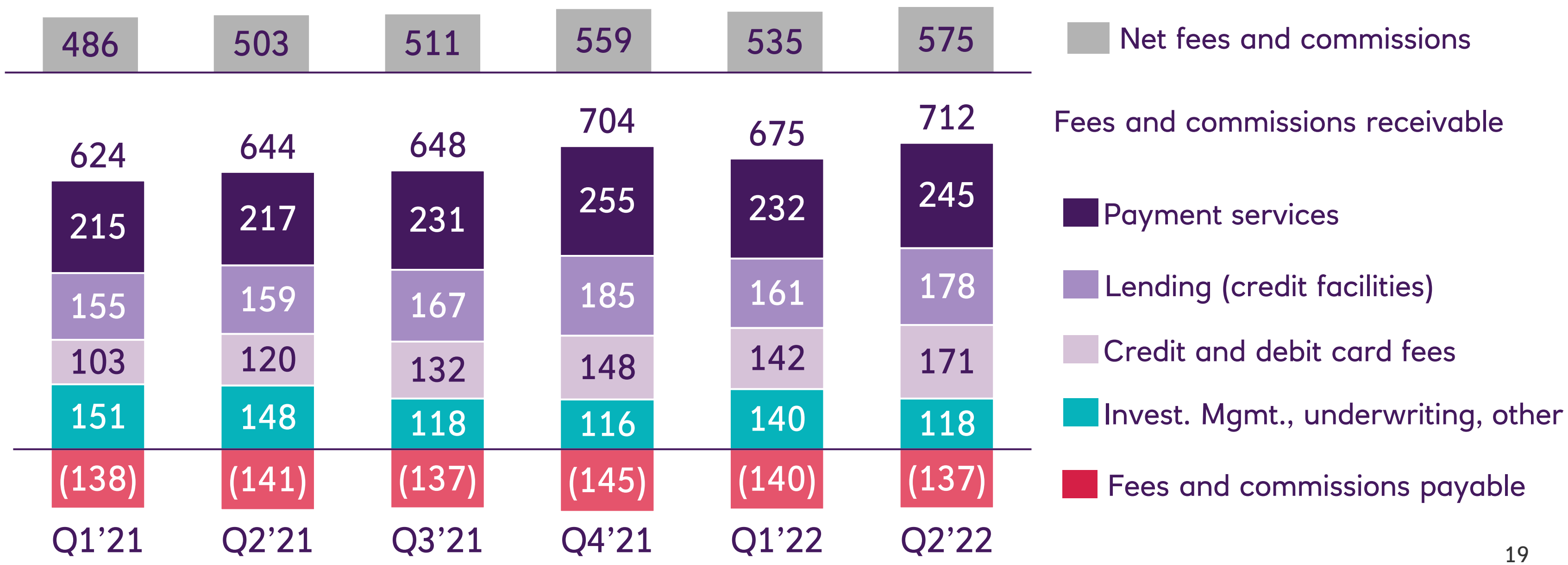
Trading and other income increased by £17m reflecting a good performance across our suite of markets products

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



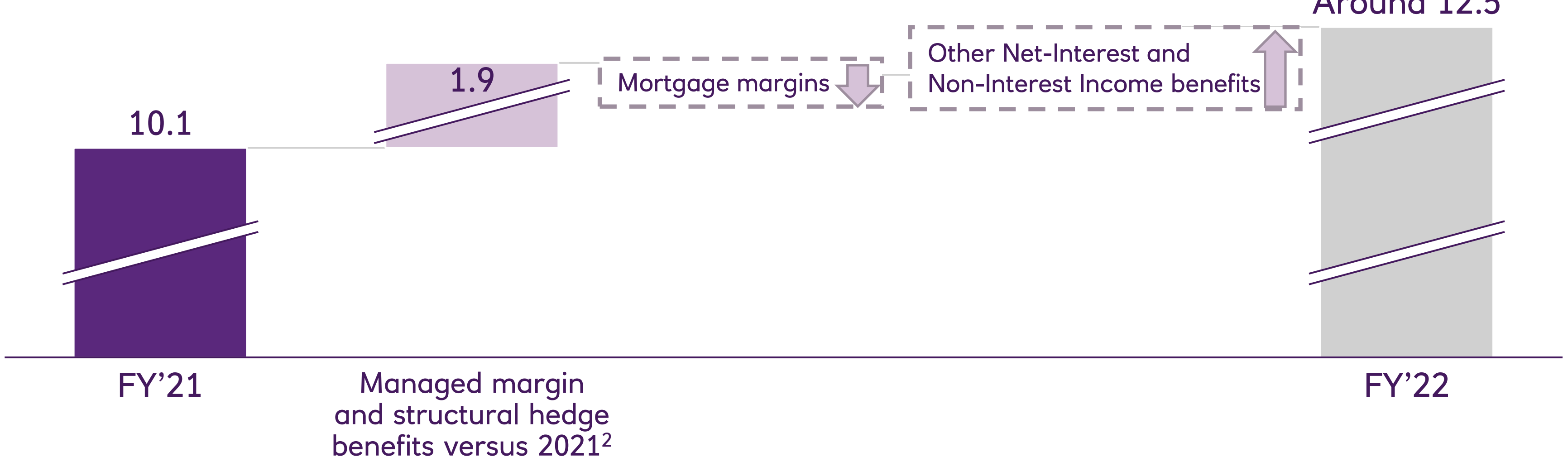
1. Excluding relevant notable income items per slide 35.
2. Go-forward group is NWG excluding Ulster Bank RoI.

We are strengthening our 2022 income guidance

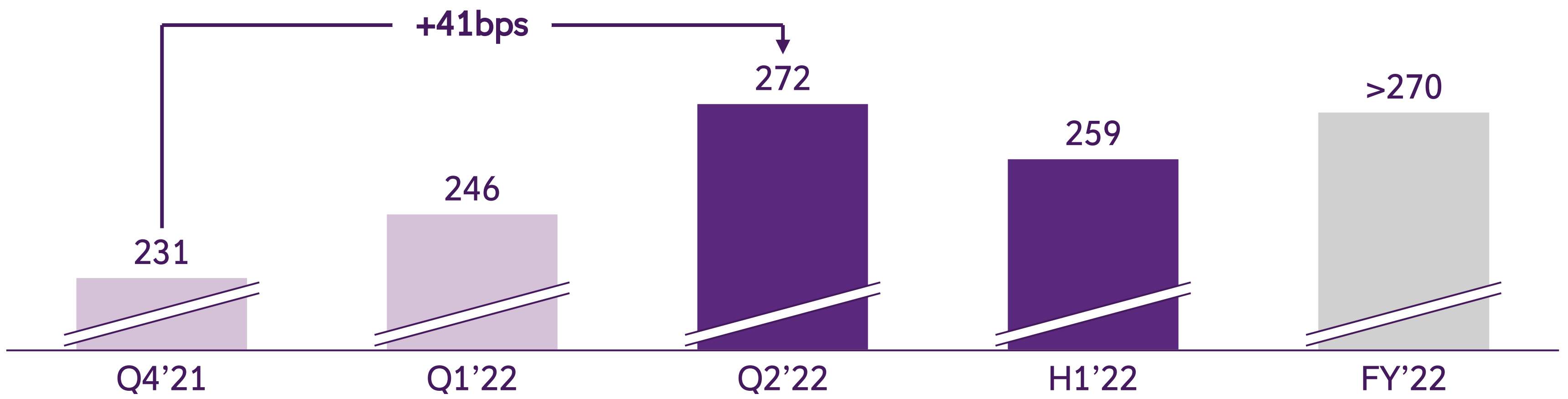
We remain well positioned for rising UK interest rates and are seeing good customer loan demand and increased activity

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

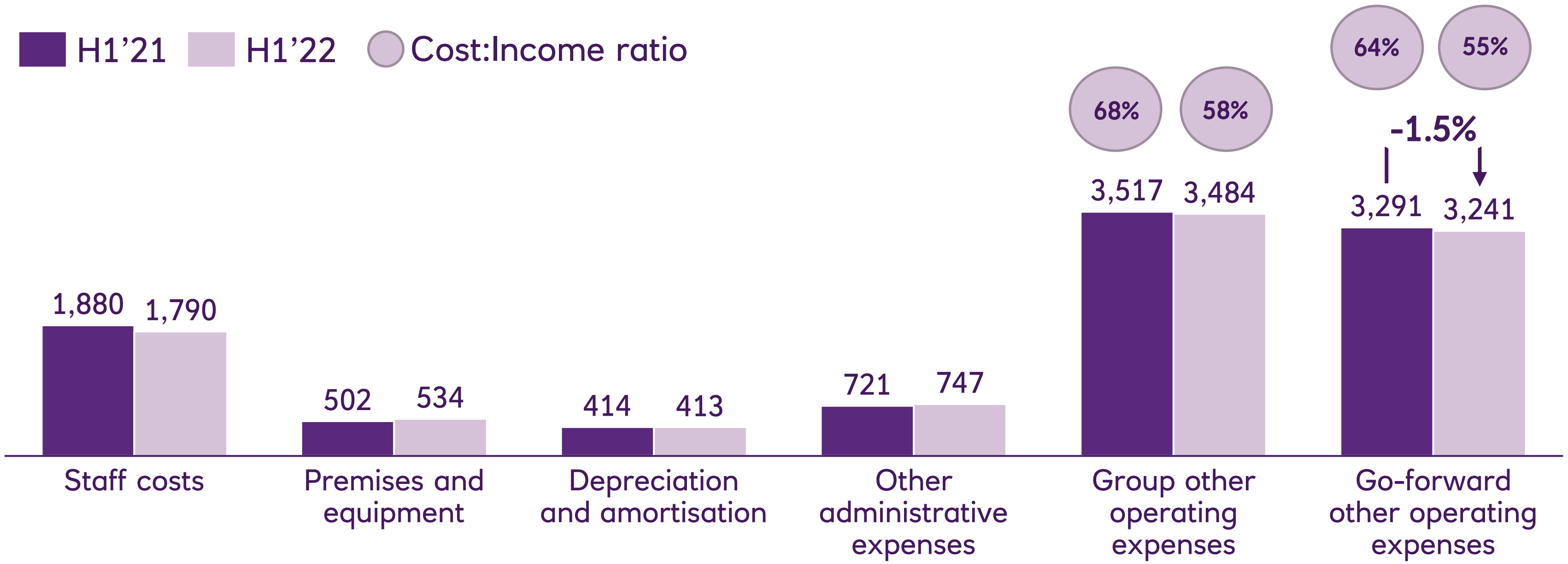
1. Go-forward group income excluding notable items. 2. FY'22 vs FY'21 illustrative income as shown on slide 17. 3. NatWest Group excluding Ulster Bank RoI and liquid asset buffer.

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

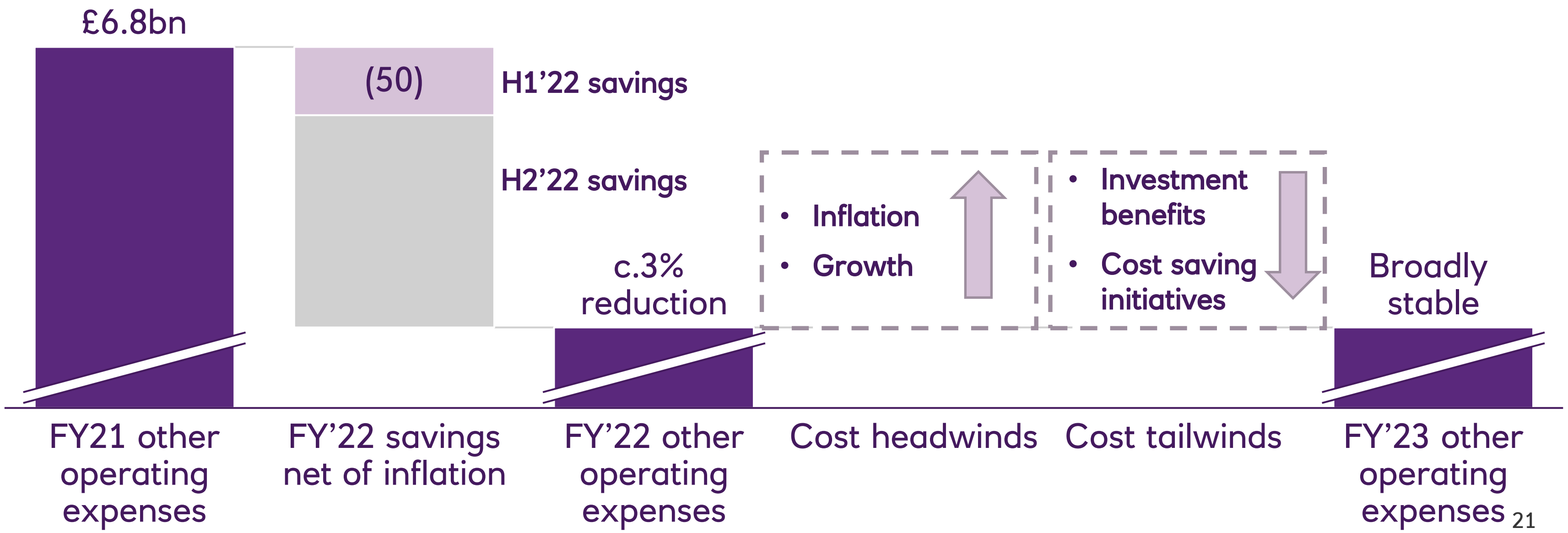
FY'22 cost reduction and savings will not be linear with Q3 costs expected to be higher than Q2, with the savings weighted to the fourth quarter

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

Group other operating expenses, £m



Progress towards our cost target[1], £m



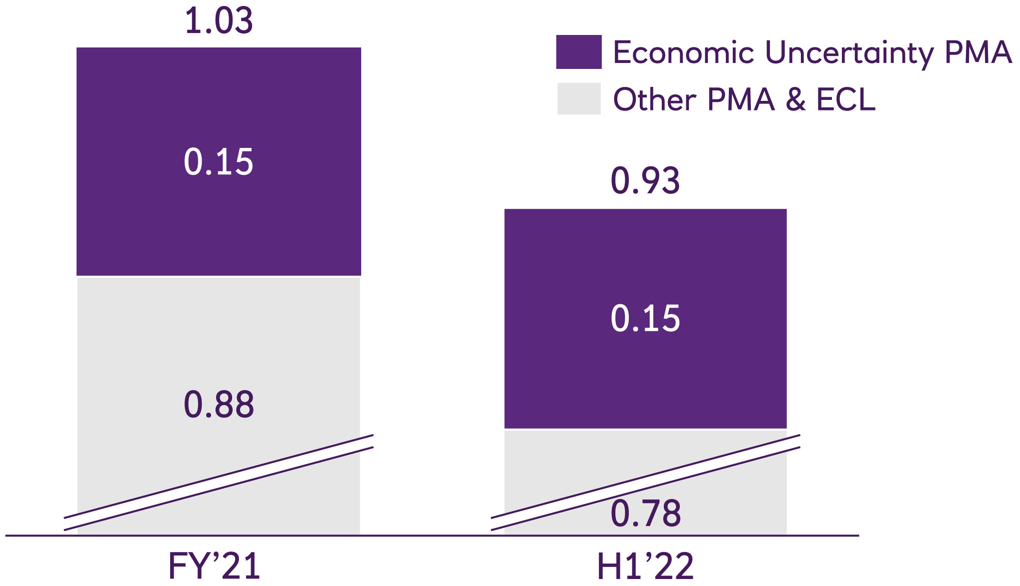
1. Other operating expenses for the Go-forward group excluding Ulster Bank RoI.

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

Credit metrics remain robust and customer liquidity levels remain strong

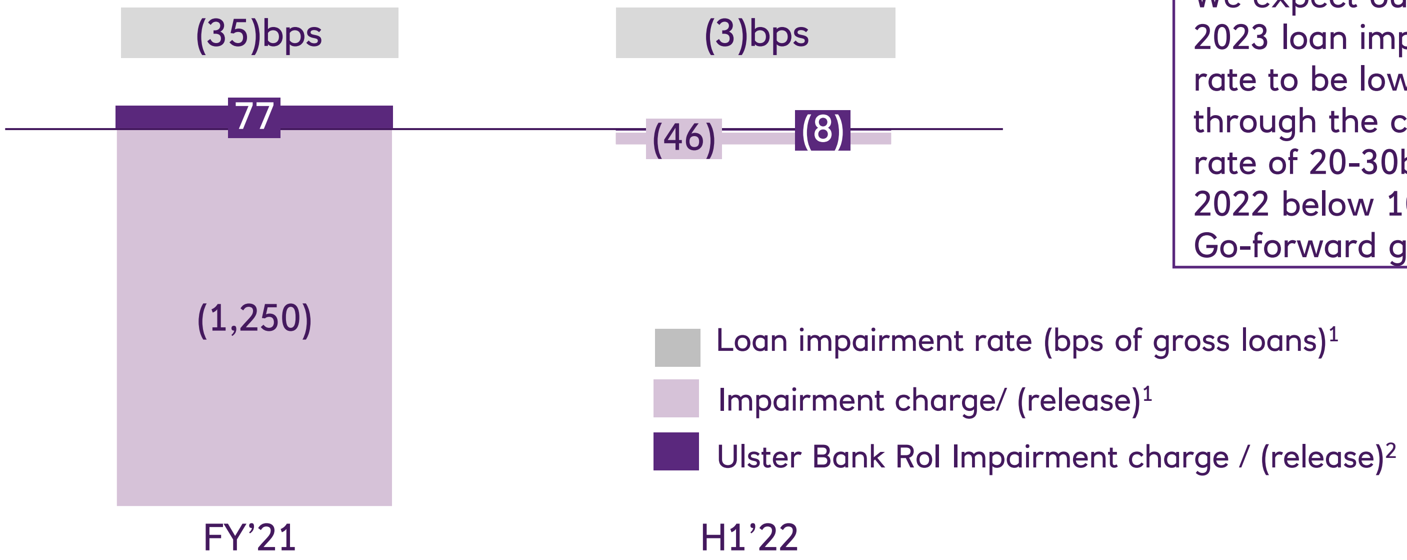
Low level of defaults is the driver of the Group impairment release in H1'22 and we expect our loan impairment rate to be below 10bps for FY'22 for Go-forward group

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 loan impairment rate 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

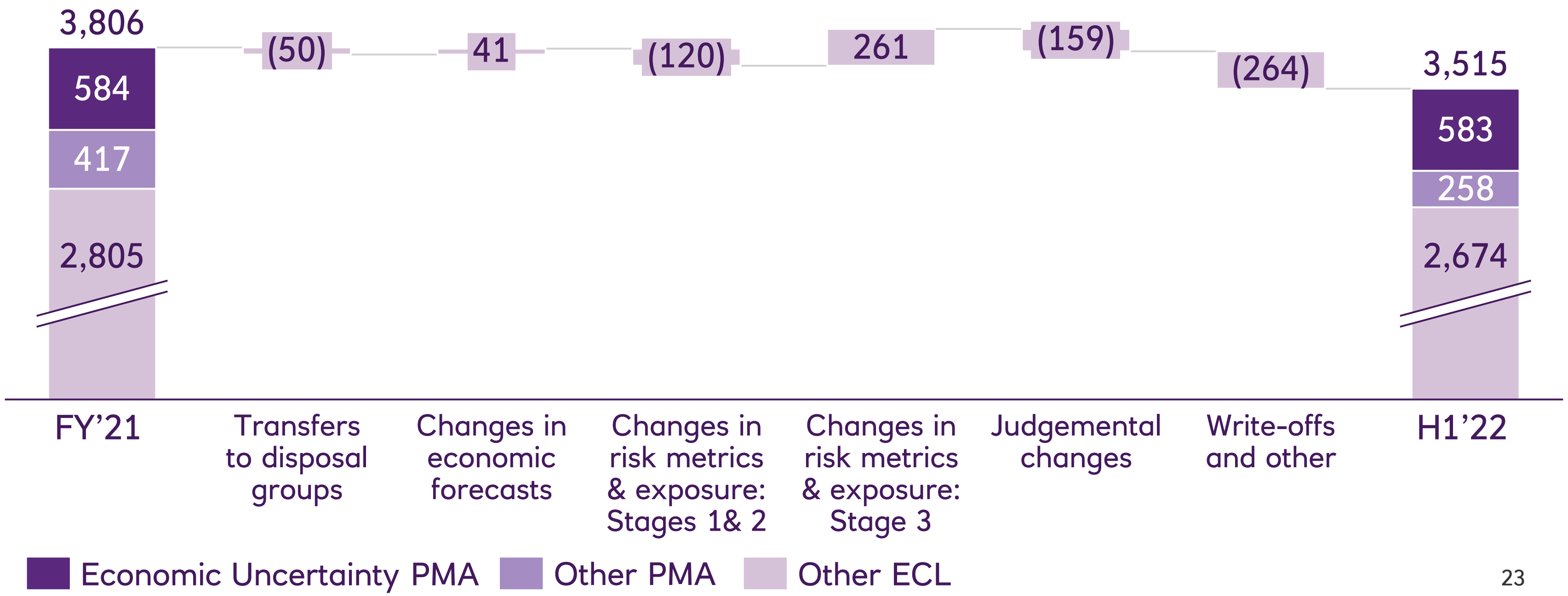
Post model adjustments for economic uncertainty of £583m is stable in H1'22, reflecting the release of Covid-19 overlays, partially offset by inflation, cost of living and supply chain increases

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 – End of Period (%)	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.

Significant progress on our phased withdrawal from the Republic of Ireland

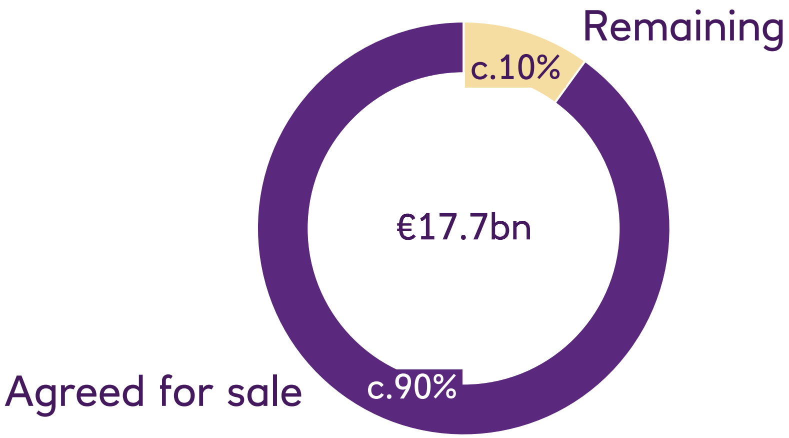
We have binding agreements with AIB and PTSB for the sale of c.90% of Ulster Bank RoI gross customer loans

We continue to expect the phased withdrawal to be capital accretive

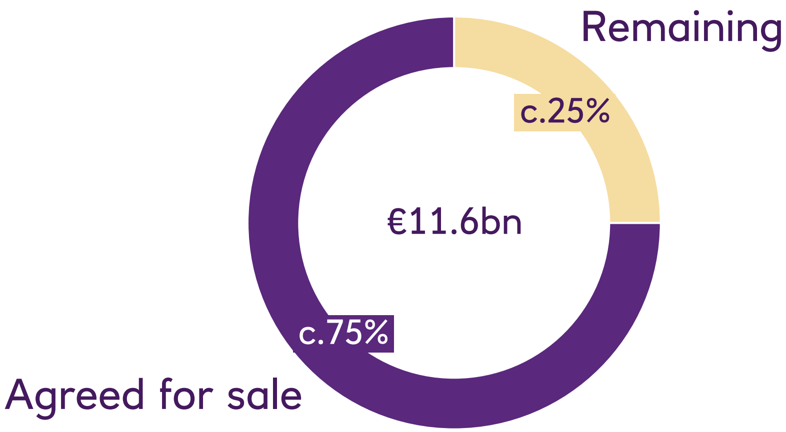
As transactions complete we will engage with the regulator on restarting dividend payments back to the Group

Ulster Bank RoI, H1'22

Loans[1] (€bn)



Credit Risk RWAs (€bn)



Loans & RWAs	We expect the majority of the commercial asset sale to Allied Irish Banks and the majority of the asset sale to Permanent TSB to be largely complete by the end of 2022 and for the tracker mortgage asset sale to Allied Irish Banks to complete in the first half of 2023.
Exit costs[2]	We continue to expect total exit costs of €900 million, with the majority incurred by end 2023. In Q3 2022 we expect to incur around €350 million of these exit costs as a result of the reclassification of UBIDAC mortgages to fair value.

1. Completion of each proposed sale is subject to obtaining regulatory and other approvals Completion may not occur when contemplated or at all. 2. Combination of income disposal losses and withdrawal-related costs

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

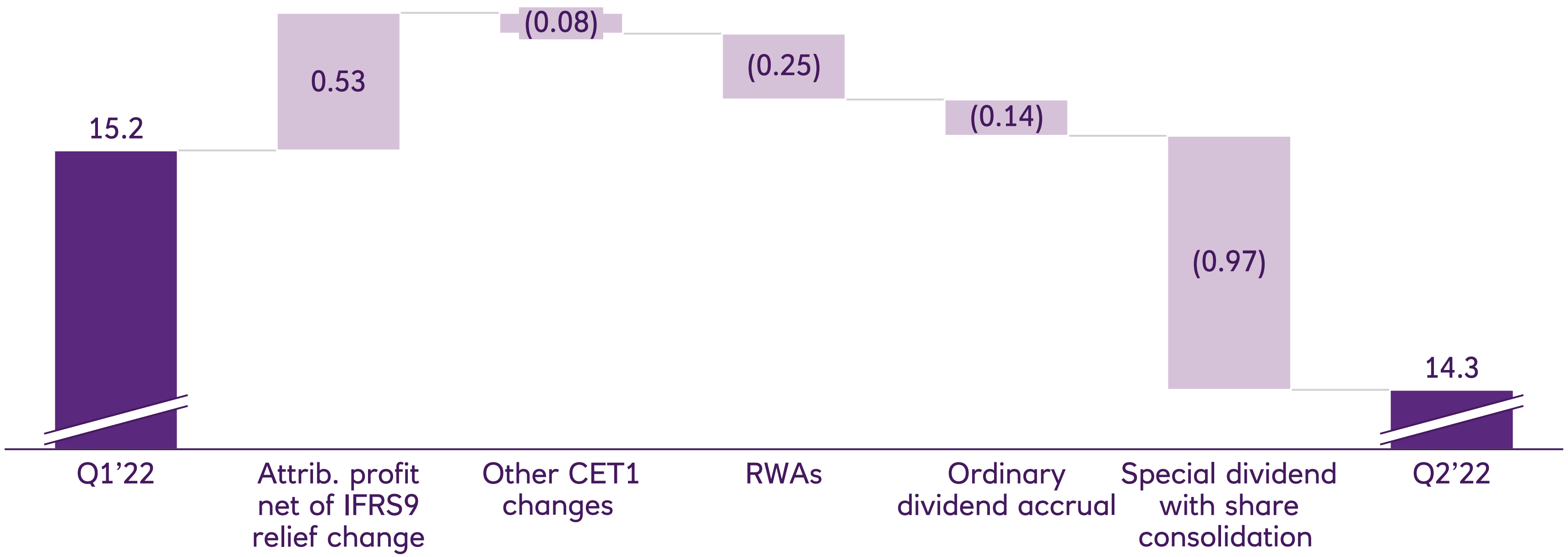
CET1 ratio 14.3% decreased 90bps in Q2 driven by the special dividend of £1.75bn and ordinary dividend accrual of £250m, partially offset by £1.1bn attributable profit

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

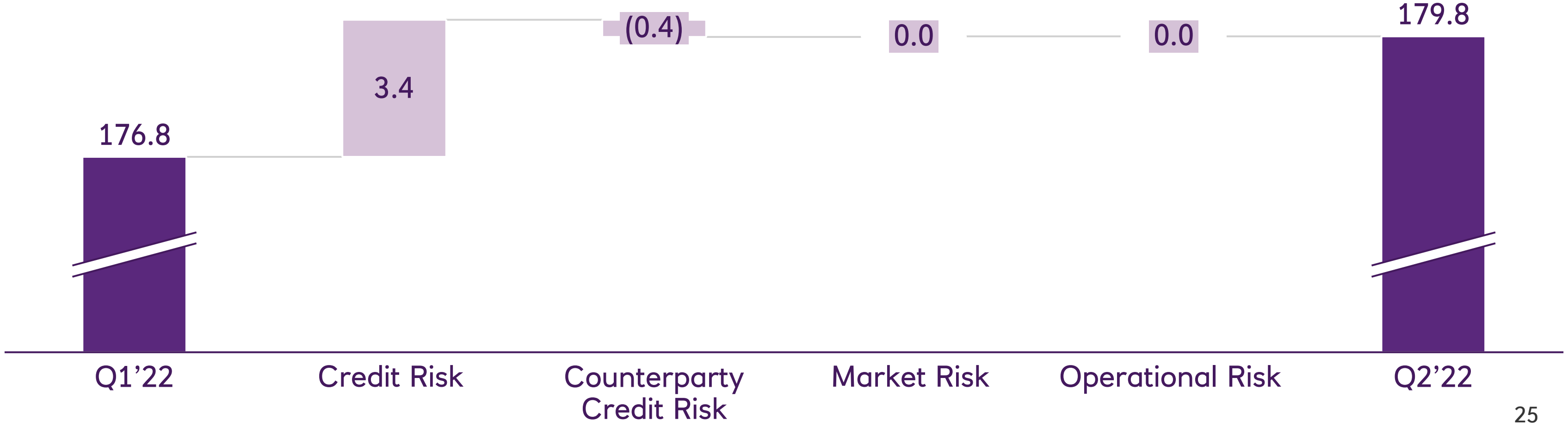
Credit Risk RWA increase is driven by lending growth and model updates

1. May not cast due to rounding.

CET1 ratio, %[1]



RWA, £bn[1]



We have announced a £1.75bn special dividend with share consolidation

Continued sustainable capital generation supports substantial distributions to shareholders

Summary

- Announced a special dividend of £1.75bn with share consolidation, subject to shareholder approval
- The special dividend will return material capital to shareholders whilst ensuring the Government' shareholding remains below 50%, which the Board has determined is in the interest of all the Group's shareholders
- The proposed consolidation will be set to reduce the share count as if we were buying back at the market price thereby offsetting the dilutive impact to TNAV per share of the substantial special dividend

Key dates

- Publication of General Meeting notice and Circular: 9th August 2022
- General Meeting: 25th August 2022
- Record date: 26th August 2022
- Consolidation date: 30th August 2022
- Special dividend payment date: 16th September 2022

Robust balance sheet with strong capital & liquidity levels

Strong capital and liquidity positions provide flexibility

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

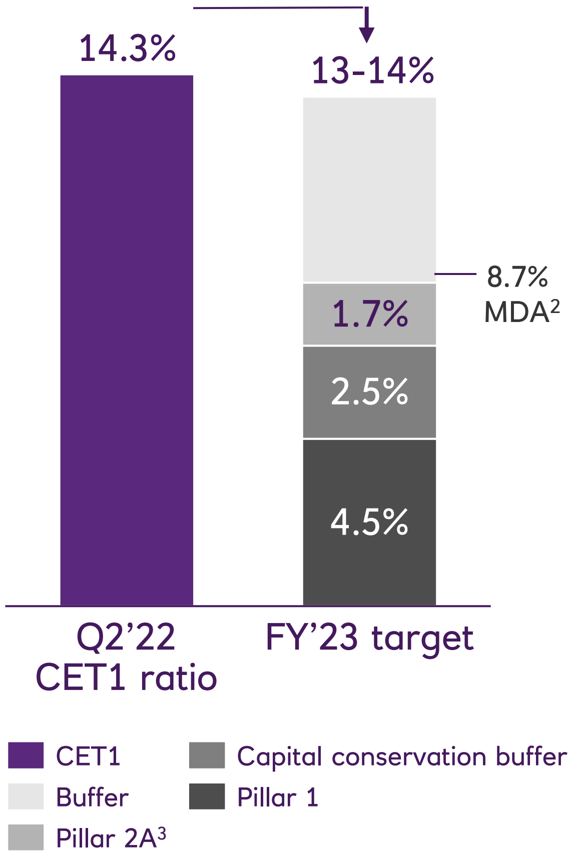
13-14% target remains appropriate post 2% uplift to UK CCyB in 2023

UK leverage ratio headroom and LCR ratio both remain comfortably above minimum requirements

CET1 headroom above medium term target[1,2]

30-130bps

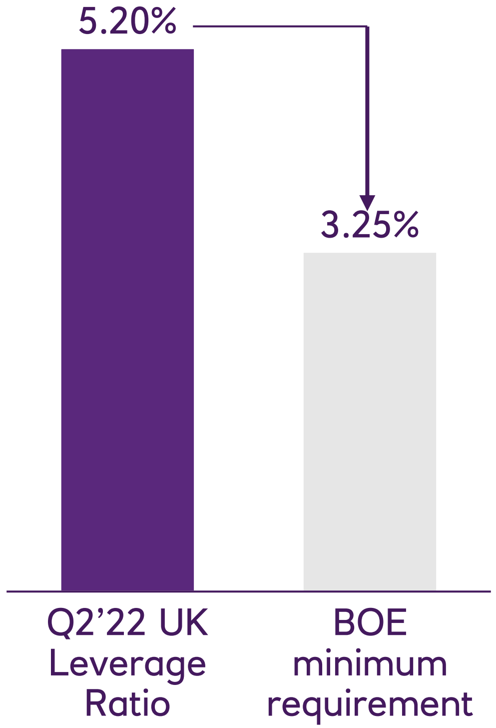
c.£0.5bn – £2.3bn of headroom as at 30 June 2022



Headroom above minimum UK leverage requirements

195bps

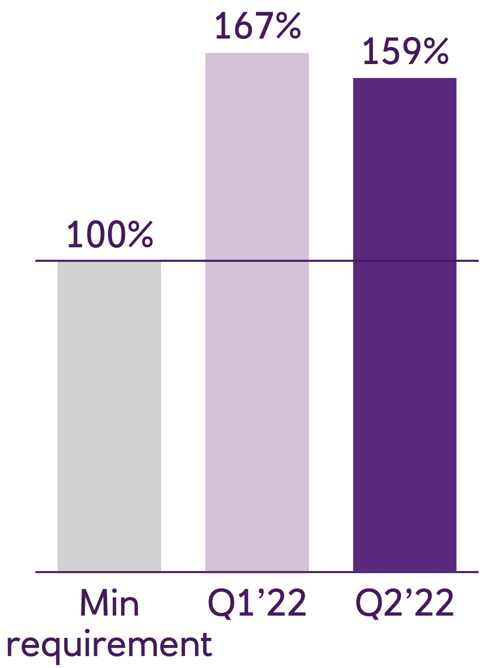
headroom above minimum requirements



Liquidity coverage ratio remains well above min UK requirement

£76.1bn

surplus liquidity over minimum requirement



1. 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. Pillar 2A requirements for NatWest Group are set on a nominal capital basis. The PRA has confirmed that from Q4 2022 Pillar 2A will be set as a variable amount with the exception of some fixed add-ons. 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.

Key financial guidance

We are strengthening our guidance as increasing interest rates and continued progress on our transformation demonstrates the earnings and capital generation capacity of the business

We have clear financial targets to drive sustainable returns for our shareholders

	Previous guidance	Strengthened guidance
1	Income ex-notable items to be comfortably above £11bn in 2022, assuming 1.25% UK Base Rate by Q4 2022[1]	**Income ex-notable items to be around £12.5bn in 2022, assuming 2% UK Base Rate by end of 2022[1]** **Bank NIM to be greater than 2.70% for full year 2022[2]**
2	Other operating expenses to reduce by around 3% in both 2022 and 2023[2]	**Other operating expenses[1] to reduce by around 3% in 2022 and remain broadly stable in 2023, with positive jaws**
3	Loan impairment rate in 2022 and 2023 below through the cycle range of 20 – 30 basis points	**Loan impairment rate[1] in 2022 and 2023 below through the cycle range of 20 – 30 basis points, with 2022 below 10 basis points**
4	CET1 ratio of 13-14% by 2023, ~14% by end 2022	**CET1 ratio of 13-14% by 2023, ~14% by end 2022**
5	ROTE comfortably above 10% for the Group in 2023	**ROTE in the range of 14-16% for the Group in 2023**

1. Go-forward group is NWG excluding Ulster Bank RoI.
2. NatWest Group excluding Ulster Bank RoI and liquid asset buffer.

Alison Rose

Chief Executive 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

H1'22 Group performance

£m	H1'22 Go-forward[1]	H1'22 Ulster Bank RoI	H1'22 Group	H1'21 Group	H1'22 incl. discontinued operations Go-forward[1]	H1'22 incl. discontinued operations Ulster Bank RoI	H1'22 incl. discontinued operations Group	H1'21 Group
Total income	6,186	33	6,219	5,141	6,186	185	6,371	5,319
Operating expenses	(3,399)	(254)	(3,653)	(3,499)	(3,399)	(278)	(3,677)	(3,521)
Impairments (losses)/releases	46	8	54	683	46	70	116	707
Operating profit / (loss) before tax	**2,833**	**(213)**	**2,620**	**2,325**	**2,833**	**(23)**	**2,810**	**2,505**
Tax (charge)/credit	(796)	1	(795)	(432)				
Profit/(loss) from discontinued operations, net of tax	--	190	190	177				
Profit/(Loss) for the period	**2,037**	**(22)**	**2,015**	**2,070**				
Attributable profit	**1,913**	**(22)**	**1,891**	**1,842**				
RoTE	14.1%	n.m.	13.1%	11.7%				

1.Go-forward group is Natwest Group excluding Ulster Bank RoI.

Q2'22 Group performance

£m	Q2'22			Q2'21
	Go-forward[1]	Ulster Bank RoI	Group	Group
Total income	3,199	12	3,211	2,571
Operating expenses	(1,692)	(141)	(1,833)	(1,695)
Impairments (losses)/releases	39	(21)	18	597
Operating profit / (loss) before tax	**1,546**	**(150)**	**1,396**	**1,473**
Tax (charge)/credit	(410)	1	(409)	(199)
Profit/(loss) from discontinued operations, net of tax	--	127	127	83
Profit/(Loss) for the period	**1,136**	**(22)**	**1,114**	**1,357**
Attributable profit	**1,072**	**(22)**	**1,050**	**1,222**
RoTE	16.5%	n.m.	15.2%	15.6%

£m	Q2'22 incl. discontinued operations			Q2'21
	Go-forward[1]	Ulster Bank RoI	Group	Group
Total income	3,199	86	3,285	2,660
Operating expenses	(1,692)	(154)	(1,846)	(1,706)
Impairments (losses)/releases	39	45	84	605
Operating profit / (loss) before tax	**1,546**	**(23)**	**1,523**	**1,559**

1.Go-forward group is Natwest Group excluding Ulster Bank RoI.

Outlook[1]

	Financial targets and outlook
Income	• In 2022, we expect income excluding notable items to be around £12.5 billion in the Go-forward group[2].
NIM	• We expect NIM to be greater than 2.70% for full year 2022 in the Go-forward group.
Costs	• We are investing around £3 billion[3] over 2021 to 2023 and, with continuing simplification, we plan to reduce Go-forward group operating expenses, excluding litigation and conduct costs, by around 3% in 2022 and to keep broadly stable in 2023, with positive jaws. In 2023 we expect some of the current inflationary impacts to be more significant, however this will be offset by • ongoing savings from our investment programme
Impairments	• We expect our 2022 and 2023 impairment charge to be lower than our through the cycle loss rate of 20-30 basis points, with 2022 below 10 basis points in the Go-forward group.
Returns	• In 2023, we expect to achieve a return on tangible equity in the range of 14-16% for the Group.
Capital	• We aim to end 2022 with a CET1 ratio of around 14% and target a ratio of 13-14% by 2023.
Dividends and pay-outs	• We intend to maintain ordinary dividends of around 40% of attributable profit and to distribute a minimum of £1 billion in each of 2022 and 2023. • We intend to maintain capacity to participate in directed buybacks of the UK Government stake, recognising that any exercise of this authority would be dependent upon HMT's intentions and is limited to 4.99% of issued share capital in any 12-month period. • We will consider further on-market buybacks as part of our overall capital distribution approach as well as inorganic growth opportunities provided they are consistent with our strategy and have a strong shareholder value case. • As part of the NatWest Group capital and funding plans we intend to issue between £3 billion to £5 billion of MREL-compliant instruments in 2022, with a continued focus on issuance under our Green, Social and Sustainability Bond framework. NatWest Markets plc's funding plan targets £4 billion to £5 billion of public benchmark issuance.
Ulster Bank RoI	• We have made significant progress on our phased withdrawal from the Republic of Ireland and have binding agreements in place for 90% of gross customer loans. We expect the majority of the commercial asset sale to Allied Irish Banks and the majority of the asset sale to Permanent TSB to be largely complete by the end of 2022 and for the tracker mortgage asset sale to Allied Irish Banks to complete in the first half of 2023. • With this progress, we continue to expect total exit costs of €900 million, with the majority incurred by the end of 2023. In Q3 2022 we expect to incur around €350 million of these exit costs as a result of the reclassification of UBIDAC mortgages to fair value. • We continue to expect the phased withdrawal to be capital accretive.

1. The guidance, targets, expectations, and trends discussed in this section represent NatWest Group plc management's current expectations and are subject to change, including as a result of the factors described in the NatWest Group plc Risk Factors section on pages 406 to 426 of the 2021 Annual Report and Accounts and the Summary Risk Factors on pages 106 and 107 of the H1'22 company announcement. These statements constitute forward-looking statements. Refer to Forward-looking statements in the H1'22 company announcement.
2. Go-forward group excludes Ulster Bank RoI and discontinued operations.
3. Denotes cash investment spend excluding certain regulatory and legacy programmes.

Notable items

Notable items in Income, £m	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22
Private Banking							
Consideration on the sale of Adam & Company investment management business	--	--	--	54	54	--	--
Commercial and Institutional Banking							
Own credit adjustments (OCA)	2	(1)	2	3	6	18	34
Tax variable lease repricing, NII impact	--	32	--	--	32	--	--
Fair value, disposal losses and strategic risk reduction	(18)	(44)	(8)	(16)	(86)	--	(45)
Central Items & Other							
Interest and FX risk management derivatives not in accounting hedge relationships	(1)	45	--	3	47	166	149
Loss on redemption of own debt	(118)	(20)	--	--	(138)	(24)	--
Liquidity Asset Bond sale gains	5	20	45	50	120	41	(5)
Share of associate profits/(losses) for Business Growth Fund	121	8	79	11	219	23	(36)
Property strategy update	--	--	--	(44)	(44)	--	--
Own credit adjustments (OCA)	--	(1)	--	1	--	--	--
Total notable items in Go-forward group Income	**(9)**	**39**	**118**	**62**	**210**	**224**	**97**
Go-forward group income excluding notable items	**2,544**	**2,502**	**2,511**	**2,517**	**10,074**	**2,763**	**3,102**
Ulster Bank RoI (continuing operations)							
Gain arising from the restructuring of structural hedges	-	-	35	-	35	--	--
Total notable items in Group Income	**(9)**	**39**	**153**	**62**	**245**	**224**	**97**

Notable items in Operating Expenses, £m	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22
Bank Levy	--	--	--	(99)	(99)	--	--
Litigation & Conduct	(16)	34	(294)	(190)	(466)	(102)	(67)
Total notable items in Group Expenses	**(16)**	**34**	**(294)**	**(289)**	**(565)**	**(102)**	**(67)**

Group Metrics	Q1'21	Q2'21	Q3'21	Q4'21	FY'21	Q1'22	Q2'22
Cost:income ratio – reported	69.2%	64.9%	70.9%	88.6%	73.4%	60.1%	56.7%
Cost:income ratio – excluding notable items[1]	62.1%	60.5%	60.5%	64.4%	61.9%	61.3%	56.1%
Return on tangible equity – reported	7.9%	15.6%	8.5%	5.6%	9.4%	11.3%	15.2%
Return on tangible equity – excluding notable items[1]	9.7%	16.4%	11.5%	12.2%	12.5%	10.4%	15.2%

1. Excludes all notable income and cost items shown in the tables above except Bank Levy which is included. 27% tax rate assumed on all notable items excluding Litigation & Conduct costs and Bank Levy where no tax shield is assumed.

Segmental summary

Group, Q2'22 £bn	Retail Banking	Private Banking	Commercial & Institutional	Central items & other	Go-forward Group	Ulster Bank RoI (continuing & discontinued)[2]	Group (incl. discontinued ops)[1]
Net interest income	1.2	0.2	1.0	(0.1)	2.3	0.1	2.4
Non-interest income	0.1	0.1	0.6	0.1	0.9	--	0.9
Total income	1.3	0.2	1.6	0.1	3.2	0.1	3.3
Income ex-notable items	*1.3*	*0.2*	*1.6*	*(0.1)*	*3.1*	0.1	3.2
Other operating expenses	(0.6)	(0.1)	(0.9)	(0.0)	*(1.6)*	(0.1)	(1.8)
Litigation and conduct	(0.0)	--	(0.0)	(0.1)	*(0.1)*	(0.0)	(0.1)
Operating expenses	(0.6)	(0.1)	(0.9)	(0.1)	*(1.7)*	(0.2)	(1.8)
Operating profit/(loss) before impairment releases/(losses)	0.7	0.1	0.7	0.0	*1.5*	(0.1)	1.4
Impairment releases/(losses)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.1
Operating profit/(loss)	0.7	0.1	0.7	0.0	1.5	(0.0)	1.5
Net loans to customers - amortised cost	188.7	18.8	127.3	26.8	361.6	15.2	376.8
Customer Deposits	190.5	41.6	223.2	20.9	476.2	15.9	492.1
RWA's	53.0	11.3	103.0	1.7	169.0	10.8	179.8
Return on equity / tangible equity	**29.5%**	**23.5%**	**14.0%**	**nm**	16.5%	**nm**	15.2%
Cost:income ratio	**44.7%**	**59.6%**	**56.6%**	**nm**	52.4%	**nm**	56.7%

1. May not cast due to rounding.
2. Totals per slide 37.

Ulster Bank RoI – continuing and discontinued operations

Ulster Bank ROI (£m)	H1'22			H1'21		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Total income	33	152	185	65	178	243
Operating expenses	(254)	(24)	(278)	(239)	(22)	(261)
o/w Other operating expenses	(243)	(24)	(267)	(226)	(22)	(248)
Profit/(loss) before impairment losses	(221)	128	(93)	(174)	156	(18)
Impairment losses	8	62	70	(13)	24	11
Operating profit/(loss) before tax	(213)	190	(23)	(187)	180	(7)
Loans to customers - amortised cost	1.0	14.2	15.2	16.7	0.0	16.7

Ulster Bank ROI (€m)	H1'22			H1'21		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Total income	38	181	219	74	205	279
Operating expenses	(301)	(29)	(330)	(273)	(26)	(299)
o/w Other operating expenses	(288)	(29)	(317)	(258)	(26)	(284)
Profit/(loss) before impairment losses	(263)	152	(111)	(199)	179	(20)
Impairment losses	9	74	83	(15)	28	13
Operating profit/(loss) before tax	(254)	226	(28)	(214)	207	(7)
Loans to customers - amortised cost	1.2	16.5	17.7	19.4	0.0	19.4

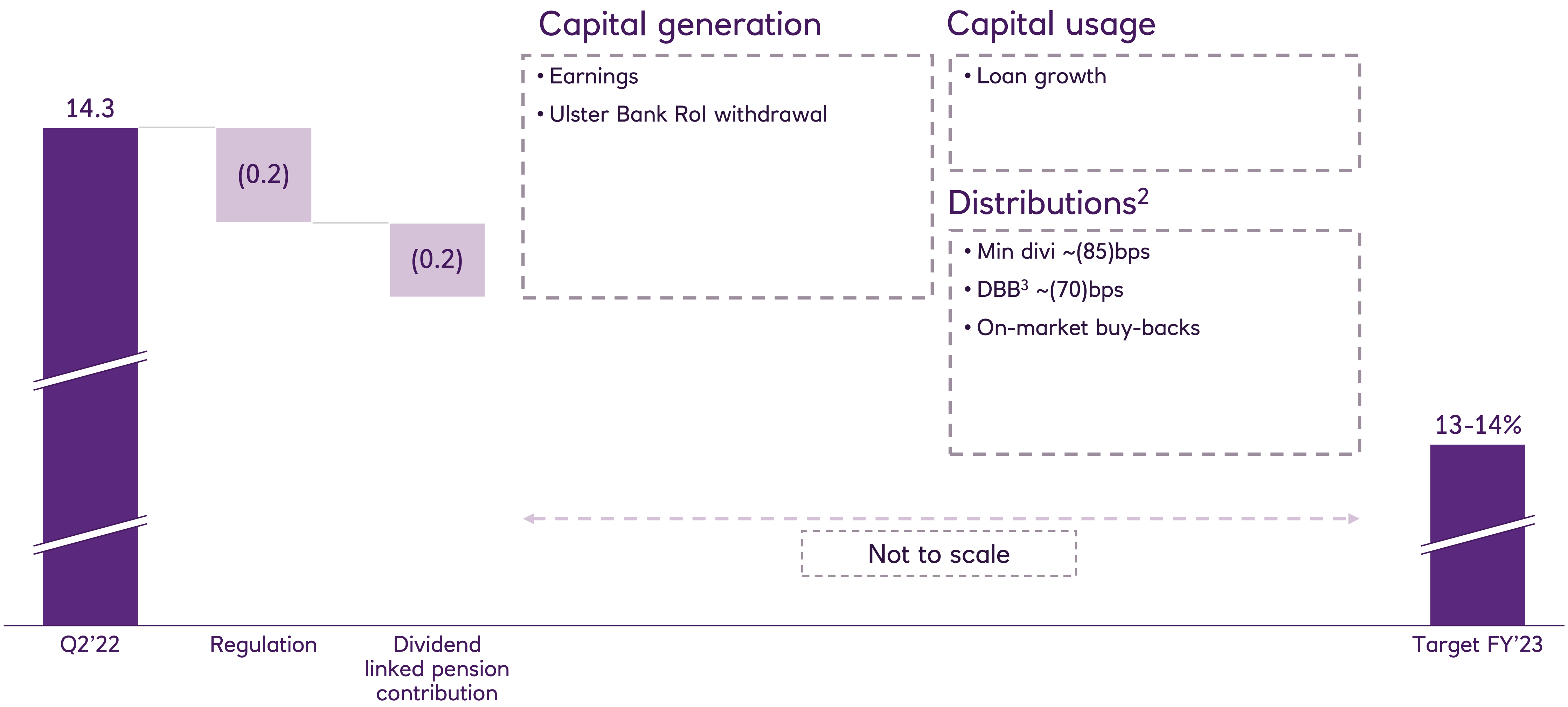
Ulster Bank ROI (£m)	Q2'22			Q2'21			Q1'22		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Total income	12	74	86	30	89	119	21	78	99
Operating expenses	(141)	(13)	(154)	(125)	(11)	(136)	(113)	(11)	(124)
o/w Other operating expenses	(130)	(13)	(143)	(121)	(11)	(132)	(113)	(11)	(124)
Profit/(loss) before impairment losses	(129)	61	(68)	(95)	78	(17)	(92)	67	(25)
Impairment losses	(21)	66	45	(9)	8	(1)	29	(4)	25
Operating profit/(loss) before tax	(150)	127	(23)	(104)	86	(18)	(63)	63	0
Loans to customers - amortised cost	1.0	14.2	15.2	16.7	0.0	16.7	6.3	9.2	15.5

Ulster Bank ROI (€m)	Q2'22			Q2'21			Q1'22		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Total income	13	88	101	34	103	137	25	93	118
Operating expenses	(167)	(15)	(182)	(143)	(13)	(156)	(134)	(14)	(148)
o/w Other operating expenses	(154)	(15)	(169)	(138)	(13)	(151)	(134)	(14)	(148)
Profit/(loss) before impairment losses	(154)	73	(81)	(109)	90	(19)	(109)	79	(30)
Impairment losses	(26)	79	53	(11)	10	(1)	35	(5)	30
Operating profit/(loss) before tax	(180)	152	(28)	(120)	100	(20)	(74)	74	0
Loans to customers - amortised cost	1.2	16.5	17.7	19.4	0.0	19.4	7.5	10.9	18.4

Tangible net asset value

	GBP, m	Share count, m	Pence
As at 31 March 2022	**28,571**	**10,622**	**269**
Attributable profit	1,050		10
Cash flow hedge reserve (net of tax)	(413)		(4)
FVOCI	(227)		(2)
Final FY'21 ordinary dividend paid	(841)		(8)
On-market share buy-backs	(436)	(200)	1
Other movements	154	14	1
Net change	**(713)**	**(186)**	**(2)**
As at 30 June 2022	**27,858**	**10,436**	**267**

Key drivers of CET1 ratio[1], %



We aim to end 2022 with a CET1 ratio of around 14%

1. Impacts are approximate and shown on a standalone basis using Q2'22 capital position. These impacts will change quarterly. Combined impacts will not be sum of standalone impact. For more details see slide 40.
2. Distributions are subject to regulatory approvals. "Directed" buy backs post March'22 only.
3. Directed buy-back.

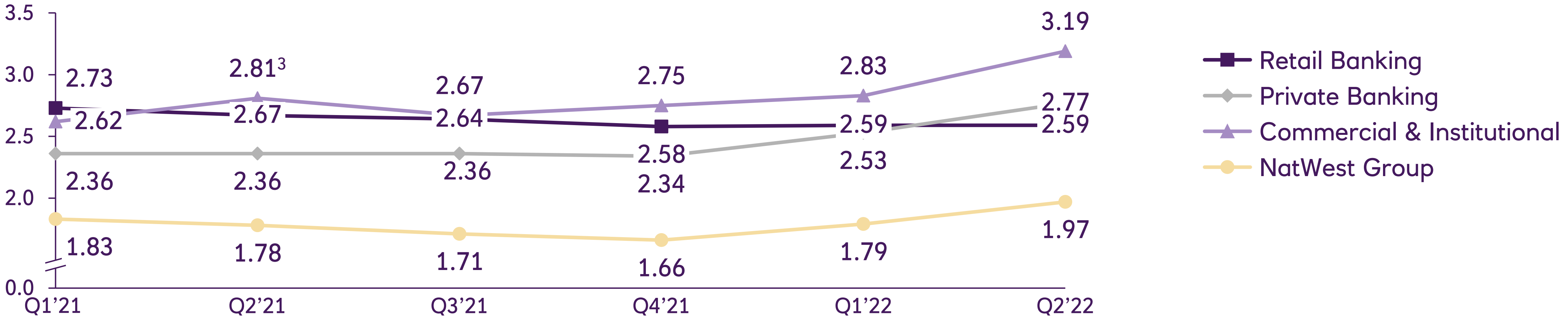
Key Drivers of CET1 ratio

From 14.3% at 30 June 2022 through to FY'23

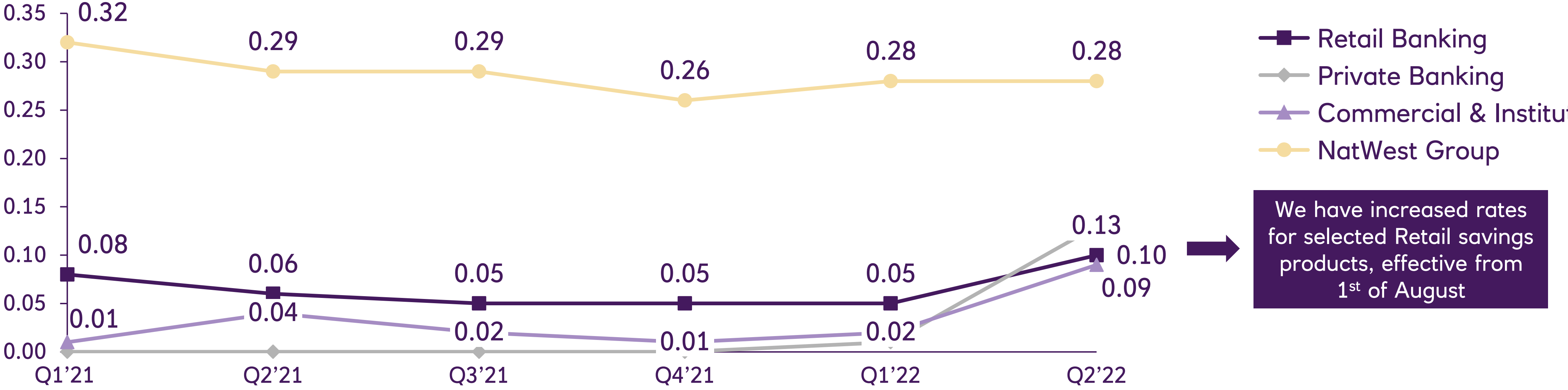
Driver	Timing	Impact[1]	Details
Earnings			ROTE in the range of 14-16% for the Group in 2023
Lending volumes			Across 2022 and 2023, we expect movements in RWAs to largely reflect lending growth
Distributions[2] Dividends	Through to FY'23	c.(85)bps	Intend to distribute a minimum of £1bn per annum through ordinary or special dividends in 2022 and 2023. Impact assumes £500m remaining in 2022 and £1bn in 2023.
Direct Buybacks	Through to FY'23	c.(70)bps	Retain capacity to participate in Direct Buy Backs up to 4.99% in 12-month period; executed £1.2bn in March 2022. Impact assumes one further DBB in 2023 at share price of 233.5p[3].
On-market buybacks			£750m programme announced in February 2022, included in 1 Jan 2022 CET1 ratio. Further on-market buybacks will be considered.
Dividend-linked pension contributions	Through to FY'22	c.(20)bps	£500m of £1.5bn pre-tax contributions to complete; maximum of £500m per annum accrual in FY'22, (£365m post tax)
Ulster Bank RoI	Multi-year		We have announced binding agreements with AIB and PTSB for loan sales estimated at c.75% of credit risk RWA. We continue to expect total exit costs of €900 million, with the majority incurred by end 2023. In Q3 2022 we expect to incur around €350 million of these exit costs as a result of the reclassification of UBIDAC mortgages to fair value.
Regulation: IFRS 9 unwind	Through to FY'24	c.(15)bps	c.£0.3bn benefit remaining on 31 March 2022, will unwind to, 50% FY'23, 25% FY'24. Will also be affected by stage migration which remains uncertain

1. Impacts are approximate and shown on a standalone basis using Q2'22 capital position. These impacts will change quarterly. Combined impacts will not be sum of standalone impact.
2. Distributions are subject to regulatory approvals.
3. Share price as at close of business 27th July 2022, per LSE.

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 Banking it represents the third party customer funding rate which includes both interest-bearing and non-interest bearing deposits. 3. Q2'21 Commercial loan yield impacted by one-off tax adjustment, broadly stable excluding this.

Impairment (charge)/release by segment

	Retail Banking	Private Banking	Commercial & Institutional	Central items	Go-forward Group	Ulster Bank RoI	Group
H1'22 (£m)	(26)	11	59	2	46	8	54
H1'22 (bps)	3	(12)	(9)	nm	(3)	nm	(3)
H1'21 (£m)	57	27	613	(1)	696	(13)	683
H1'21 (bps)	(6)	(30)	(96)	nm	(40)	nm	(37)

Q2'22 (£m)	(21)	6	48	6	39	(21)	18
Q2'22 (bps)	4	(13)	(15)	nm	(4)	nm	(2)
Q1'22 (£m)	(5)	5	11	(4)	7	29	36
Q1'22 (bps)	1	(11)	(3)	nm	0	nm	(1)
Q2'21 (£m)	91	27	488	0	606	(9)	597
Q2'21 (bps)	(20)	(60)	(153)	nm	(69)	nm	(65)

Customer Loans[1] and Deposits

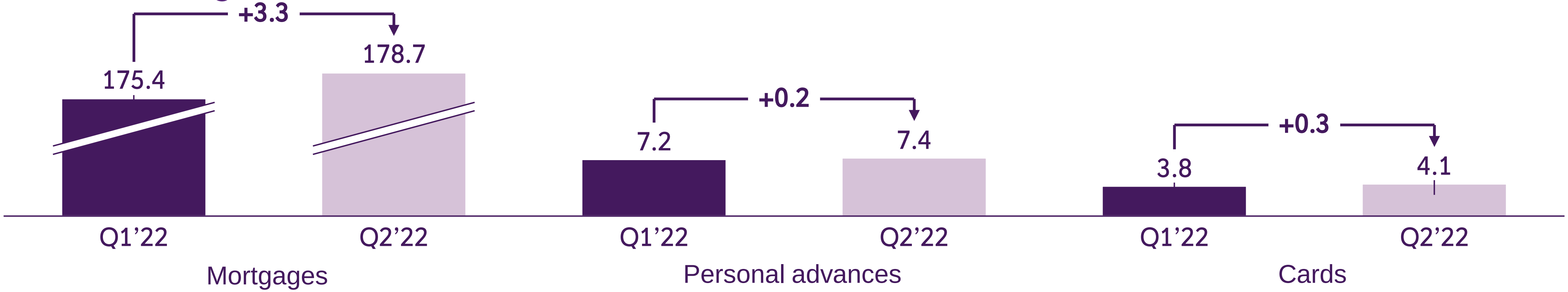
	Loans to customers - amortised cost, £bn[2]		Customer Deposits, £bn	
	Q1'22	Q2'22	Q1'22	Q2'22
Retail Banking	184.9	188.7	189.7	190.5
Private Banking	18.7	18.8	40.3	41.6
Commercial & Institutional	126.6	127.3	217.9	223.2
Central items & other	28.8	26.8	17.7	20.9
Go-forward Group net L&As and deposits	**359.0**	**361.6**	**465.6**	**476.2**
Ulster Bank RoI	6.3	1.0	17.3	15.9
NatWest Group Net L&As and deposits	**365.3**	**362.6**	**482.9**	**492.1**
Impairment provisions	3.6	3.4		
Natwest Group Gross Loans to Customers	**368.9**	**366.0**		
Of which Scheme Lending within Private and C&I	*10.9*	*10.2*		

1. Loan balances are amortised cost loans only.
2. May not cast due to rounding.

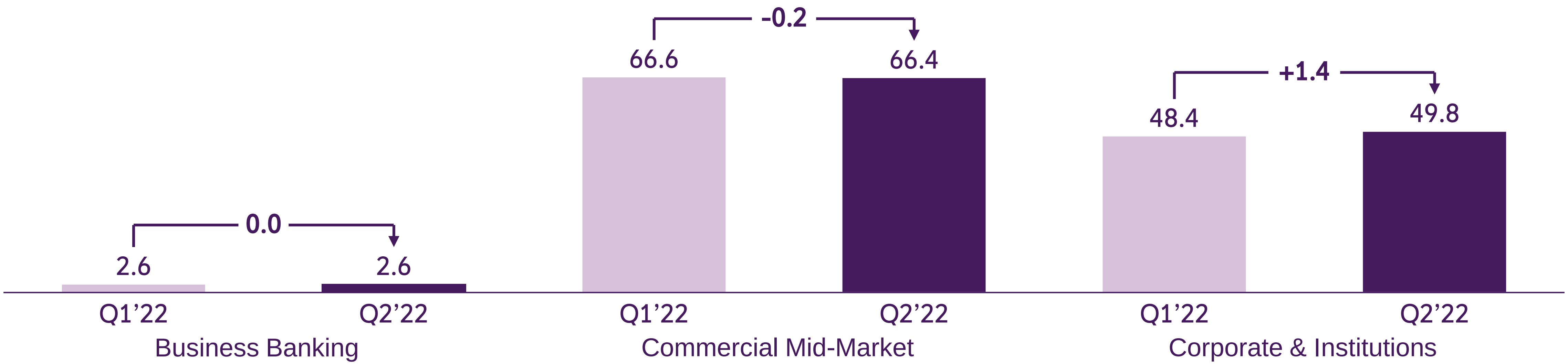
Q2’22 Customer loan growth by product and sector

Total loans to customers (amortised cost), £bn

Retail Banking



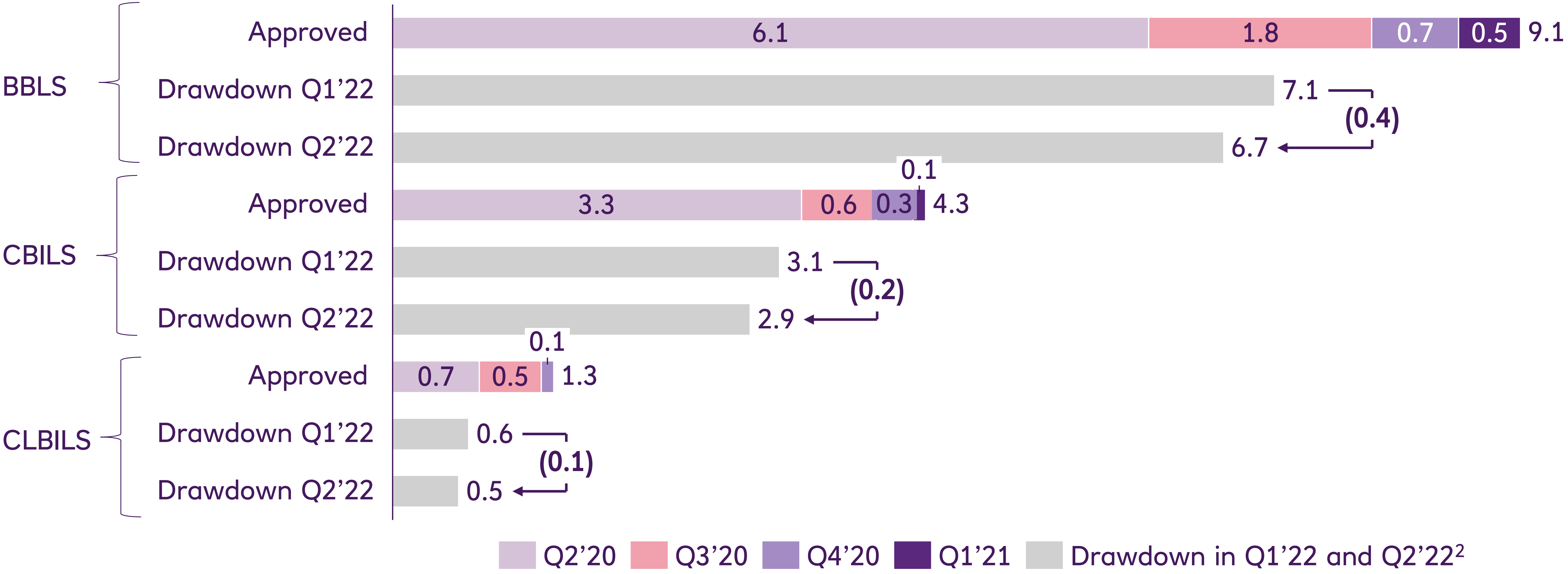
C&I Gross loans to customers (amortised cost) ex-government schemes, £bn



Supporting our customers through Covid-19

£0.7bn of net government scheme **repayments** in Q2, £0.4bn related to BBLS

Government Lending Scheme in NWG, £bn[1]



1. The chart captures UK Government schemes for NatWest Group. BBLS, CBILS and CLBILS closed for new applications as at end of Q1’21.
2. Drawdown reduction does not cast to £0.7bn repayments due to rounding.

Asset quality[1]

Mortgage LTV distribution by stage	Total				Stage 1				Stage 2				Stage 3			
	FY'19	FY'20	FY'21	H1'22	FY'19	FY'20	FY'21	H1'22	FY'19	FY'20	FY'21	H1'22	FY'19	FY'20	FY'21	H1'22
≤50%	51,791	55,857	66,488	71,985	47,746	50,170	61,233	66,690	3,375	5,009	4,548	4,283	511	554	644	950
>50% and ≤70%	51,582	63,202	73,437	75,652	47,224	55,263	68,271	71,128	3,804	7,416	4,674	3,861	463	488	483	654
>70% and ≤80%	24,992	29,698	25,353	21,463	23,235	19,994	24,004	20,758	1,568	9,555	1,255	600	150	141	93	104
>80% and ≤90%	15,251	13,639	6,256	8,081	14,030	8,029	5,983	7,976	1,111	5,552	250	90	85	52	22	15
>90% and ≤100%	3,610	520	1,193	1,268	3,401	368	1,125	1,241	174	137	58	20	20	13	10	7
>100%	238	169	38	67	111	48	14	54	100	99	18	6	24	20	6	7
Total with LTVs	147,464	163,085	172,765	178,516	135,747	133,872	160,630	167,847	10,132	27,768	10,803	8,860	1,253	1,268	1,258	1,737
% of Group L&As	43.8%	43.8%	45.6%	45.7%	40.3%	35.9%	42.4%	43.0%	3.0%	7.5%	2.9%	2.3%	0.4%	0.3%	0.3%	0.4%
Total portfolio average LTV%	57%	57%	54%	53%	57%	55%	54%	54%	59%	66%	52%	49%	66%	60%	53%	50%

Commercial Real Estate (CRE) LTV distribution by stage	Total				Stage 1				Stage 2				Stage 3			
	FY'19	FY'20	FY'21	H1'22	FY'19	FY'20	FY'21	H1'22	FY'19	FY'20	FY'21	H1'22	FY'19	FY'20	FY'21	H1'22
≤50%	10,132	9,594	7,457	7,643	8,787	4,918	6,767	7,113	468	4,538	388	253	40	138	34	37
>50% and ≤70%	6,191	6,307	5,352	5,144	4,945	2,815	4,367	4,249	252	3,266	470	384	148	226	46	41
>70% and ≤100%	618	576	705	632	380	169	377	299	138	283	192	265	88	124	127	57
>100%	309	409	312	258	104	50	215	159	51	64	7	9	153	295	86	86
Total with LTVs	17,250	16,886	13,826	13,677	14,216	7,952	11,726	11,820	909	8,151	1,057	911	429	783	293	221
% of Group L&As	5.1%	4.5%	3.6%	3.5%	4.2%	2.1%	3.1%	3.0%	0.3%	2.2%	0.3%	0.2%	0.1%	0.2%	0.1%	0.1%
Total portfolio average LTV%	48%	48%	50%	48%	46%	45%	48%	46%	55%	47%	58%	61%	101%	93%	88%	87%

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

Structural Hedge[1]

	H1 2022				
	Incremental Income (£m)	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	111	178	20	20	1.77
Product	42	585	182	168	0.70
Other	29	76	28	27	0.57
Total	182	839	230	215	0.78

	FY 2021				
	Incremental Income (£m)	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	426	448	21	22	2.05
Product	744	861	161	145	0.59
Other	139	115	24	23	0.51
Total	1,309	1,424	206	190	0.75

	H1 2021				
	Incremental Income (£m)	Total Income (£m)	Period end notional (£bn)	Average Notional (£bn)	Total Yield %
Equity	235	244	23	23	2.13
Product	360	412	146	135	0.61
Other	74	62	21	22	0.56
Total	669	718	190	180	0.80

1. Page 75 of NWG H1’22 IMS and page 268 of NWG FY’21 ARA; H1’21 numbers page 77 of IMS

Interest rate sensitivity[1]

H1 2022	+25 basis points parallel upward shift			-25 basis points parallel upward 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)

FY 2021	+25 basis points parallel upward shift			-25 basis points parallel upward shift		
	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)	Year 1 (£m)	Year 2 (£m)	Year 3 (£m)
Structural Hedge	40	132	224	(40)	(132)	(224)
Managed Margin	269	203	239	(245)	(199)	(177)
Total	309	335	463	(285)	(331)	(401)

1. Page 76 of NWG H1'22 IMS. Following a change in the basis of preparation of this table, it now excludes UBIDAC. Including UBIDAC would increase Year 1 sensitivity by 4-5%.

UK Economic Assumptions[1]

	H1'22				FY'21				H1'21			
Scenario	Upside	Base Case	Downside	Extreme downside	Upside	Base Case	Downside	Extreme downside	Upside	Base Case	Downside	Extreme downside
Weighting	21%	45%	20%	14%	30%	45%	20%	5%	35%	40%	20%	5%
UK GDP – Annual Growth (%)												
2022	4.8	3.5	2.7	2.7	8.1	5.0	1.5	(3.6)	5.4	5.8	4.3	-
2023	2.9	0.8	(2.4)	(5.1)	2.1	1.6	2.4	4.1	1.6	1.6	4.4	7.7
5 year - CAGR	1.7	1.1	0.8	(0.1)	2.4	1.7	1.4	0.6	3.9	3.5	2.9	2.5
UK Unemployment rate – annual average (%)												
2022	3.4	3.6	3.8	3.8	3.5	4.1	5.1	8.3	4.3	4.8	7.0	11.8
2023	3.0	3.8	4.9	5.9	3.3	4.0	5.2	8.8	4.0	4.5	6.5	10.4
5 year average	3.3	4.0	4.5	6.3	3.5	4.2	4.8	6.7	4.1	4.6	5.8	8.1
UK House Price Index – four quarter growth (%)												
2022	9.7	5.1	2.4	2.4	7.9	1.6	(2.9)	(20.4)	1.7	0.5	(3.0)	(27.0)
2023	5.5	2.0	(11.7)	(20.4)	4.2	1.6	(0.2)	(2.6)	2.8	1.9	1.3	12.2
5 year - total change	24.4	13.7	(0.9)	(10.5)	22.7	12.1	4.3	(5.3)	23.4	14.2	4.9	(0.8)
UK Commercial Real Estate Price – four quarter growth (%)												
2022	9.5	6.8	(3.3)	(3.2)	10.2	4.4	(2.7)	(29.8)	2.1	2.0	(1.3)	(18.2)
2023	3.9	0.2	(10.8)	(27.6)	3.4	1.9	4.2	17.2	1.7	1.7	5.8	15.7
5 year - total change	7.5	(2.6)	(6.8)	(14.5)	18.2	7.2	5.5	(6.4)	13.6	4.7	0.1	(8.7)

1. Full details of the economic assumptions can be found on pages 21 and 22 of NWG H1'22 IMS, pages 206 to 208 of NWG FY'21 ARA, and on pages 20 to 23 of the NWG H1'21 IMS.

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.