



**NatWest Group plc**  
**Barclays Conference CFO Fireside Chat**  
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Aman Rakkar: Cool. Thank you very much for joining us at the Barclays Global Financial Services Conference here in New York.

It's our pleasure to welcome Katie Murray, Chief Financial Officer of NatWest. Katie was appointed group CFO in 2019, having joined the firm in 2015, and has held a number of senior finance roles across a career spanning more than 30 years. Katie, thank you very much for joining us and taking our questions.

Katie Murray: Lovely to be here. Thanks so much, and good morning, everyone.

Aman Rakkar: Cool. I'm, by way of introduction, Aman Rakkar. I head the UK banks coverage at Barclays.

Yeah, so let's kick off with the macro. The macro outlook has shifted quite materially since you issued your H1 results, both the interest rate and the inflation forecasts moving meaningfully higher. We've also had a new prime minister announced and her initial policy or flagship policies around freezing the energy price cap. I'll start by inviting you to comment on whether or not you're seeing any kind of shift in customer behavior. And if you could let us know how you're thinking about the way in which that energy price cap might benefit your customers.

Katie Murray: Yeah, sure. Absolutely. So, look, it has moved a lot and continues to move. I think it's important that we don't always think of that as wholly negative. So, I mean, unemployment came out this morning, 3.6%, the lowest since 1974. I'm not sure if you were born by 1974. So, I mean, in most of our lifetimes, that's a huge change.

So, it's important as we think of macro that not all of it is bad news, but there definitely is movement. I mean, we've put our guidance out at 2% end rate. You know, market implied has come back a little bit if you look at the swap curve, but it was up to 4%. So, I mean, that's a huge potential tailwind, which I'm sure we'll get into, but also just a lot of volatility within that number. And I think we'll only really see the impact of some of these market movements as they settle. I feel I've probably said that to you for quite a few quarters in a row. And so, it feels a settlement still has some time to come through.

If we look at the energy price cap, we think that that will help inflation in terms of that, but we'll wait to see how it actually gets rolled through and the speed of it. I don't think it will necessarily be immediate, but

you'll start to see the benefit of that coming through.

And then we look to our customer behavior. And, you know, obviously, there's the business that we're continuing to grow, and we still continue to see good growth in that retail and that credit card side of things. When we dig into the credit card detail, you're really looking for something to say, is the spend on more essentials, rather than discretionary items? And we're not seeing that. It's still discretionary. You know, those of us who've traveled to the US in the last couple of days, the airports are busy in terms of that piece, so it's still a lot of discretionary spend that's going through that.

In the commercial space, you saw that we had two good quarters of loan growth as well - in particular, in the last quarter across all of our lines of business, so there is a lot of activity within there. And importantly, within the impairment book, we still struggle to find any signs of deterioration within that.

So, overall, although indices are quite negative, people are continuing to be economically active. And often, when I go out to talk to customers, what they often say to me is, I'm doing okay. I can work out how to navigate this piece and that piece. But actually, I'm a bit worried about the others. So, it's quite interesting in terms of the economic mood, which I think is something that weighs on people more than what we actually are seeing in the data.

Aman Rakkar: Yeah. So, I mean, just to drill into the point around asset quality, the point around the interest rate expectations are that the base rate could exceed 4% in the coming months. When you're thinking about the implications on asset quality, is that the level of interest rate that concerns you.

Katie Murray: So, when we look at interest rates, when any new customer comes to us, we assess them on two different factors. The first factor is interest rate moves. Currently, our SVR rate is 4.99%, and then we add a couple of percentage points on top of that. So, in terms of the customer rate you'd paying on a fixed, which, let's say it's around about 3-ish, depending what happens; we're testing you at 3 or 4% above that, that's to say, can you cope with that kind of level? So, that level in itself isn't a particular concern for the retail side.

Then on the commercial side, we do a very similar thing in terms of

testing. And importantly, on retail, we also look to test - where are you on affordability? So, then we take your outgoings, and we apply inflation and test that. And we continue to keep updating that inflation number though, so that would mean that some people might be struggling to find credit on the mortgage side because we've increased that inflation side. But again, in terms of what we're writing, we know that we've got the comfort within there, so we're not unduly worried about rates at that level.

And I think it's important to go back a little. What actually impacts us more in terms of driving impairment? Unemployment, talked of a moment ago for the retail side. And then, if I look to the commercial side, GDP growth, so actually, do some of these challenges cause lower borrowings, which will hurt me more probably in later years than today? And then the unemployment impact on that as well.

So, at the moment, we keep a very close eye on it. We test it extensively, but it's not a factor that we're looking at and we're overly concerned about from a risk quality point of view.

Aman Rakkar: I guess just to complete the point, the discussion around that - when you're looking at risk in your book, are there specific portfolios that you're most closely monitoring right now?

Katie Murray: Yeah. So, I mean it's always an interest. We monitor all of them very closely. So, what we did at the half year was, we spent a lot of time looking to see, who's going to be impacted by increasing costs of living, including within that the energy price cap. The energy price cap changes that have come in, will be helpful. Our base case of inflation was 8.4%. Our downside took it all the way up to 15%, so we've tested from across the risk perspective really big changes in that rate in terms of where we are.

We then look similarly at the commercial side, what we did is, we went sector by sector and made different PD progressions, and we said, well, that one could go worse by 1, this one can go worse by 2, so actually working out which ones there are. So when we were in COVID times, we talked about five sectors we were monitoring really closely. I'd say now we're monitoring the whole book probably more closely. I always feel uncomfortable saying that, because we monitor incredibly closely all the time, but looking at that piece. And then, by doing that kind of PD progression piece - these are the ones that we're more

interested in. And we're a full-service bank, so we don't have sectors that we say that we don't lend to. But within sectors, there'll be bits that we will have less appetite for, so we're very closely monitoring that.

Aman Rakkar: Okay, great. So, for everyone in the room, we do also have audience response survey questions. We've got six of them, I'm going to pepper them throughout the conversation between me and Katie. If it's all right, team, we can maybe get the first couple up on the screen.

Number one, what would cause you to become more positive on NatWest shares? 1. Positive revenue surprises; 2. Greater cost savings; 3. Better asset quality; 4. Better capital dividends; 5. Clarity on UK macro; 6. Reduction in UK government ownership?

Okay, that's a fairly emphatic response there, which I think is reflective of the conversation that we're having around the macro outlook.

Katie Murray: I mean, definitely, the way that Alison and I think about it, we're lucky we've both been in financial services for a long time. We've worked our way through many different crises over the years and different kinds of macro scenarios. I think the important thing is to make sure that you're there for your customers, to help work with your customers, so that they understand what they can do. And if you look at the customer base now, many people haven't lived through inflation and rising rates and then be running a business in that time, so actually, our job is to really work with that. We can't influence that UK macro backdrop. What we can do is to make sure the bank's ready to be able to deliver on it.

The 17% interests me a little bit in terms of that piece. It's good it's down at 47.5% ownership now from 62% a few years ago. So we're making progress, and we just need to continue to make sure we're doing the right thing for the business to enable the government to make whatever decisions they feel appropriate at the time.

Aman Rakkar: Can we go to the second question, please? What do you expect to be the biggest influence on NatWest revenues in the coming 12 months, 1. Loan growth; 2. Pricing; 3. Policy rates; 4. Fees and commissions?

So, 91% for policy rates. So, before I let you comment on that, let's shift to a question in that direction - on a more positive tone the income

outlook is improving. You've upgraded your income expectations for the full year '22 to around £20 - to around £12.5 billion, sorry.

Katie Murray: £12.5 billion, yeah. Don't get ahead of yourself.

Aman Rakkar: Sorry. But as we mentioned, the rate expectations have probably increased, actually, since you issued that guidance. Base rate, you know, projected to get above 4%, spot rates have risen, mortgage margins have also widened a bit over the summer months. Interested if you could talk to your assessment of the revenue outlook, and in particular, whether you see potential further upside in the outlook.

Katie Murray: So, I mean, when you look at it, we guided to 2% and flat from there. If we look at market implied, it's sitting at around 4% by the end of the year, maybe some small increase, and then beginning to come down.

What we do find is there's often a gap between market implied and the economists' expectations. We go more with economists' consensus rather than the market implied piece. But if I caught the economists' expectations today, they would also be a bit higher. So, look, I think there is some potential within there.

I think what you want to remember, it's September, so when you look at the guidance we give you around impacts of managed margins and structural hedge, we talk about for every 25 basis points extra, it's about £276 million of extra income. Obviously, when that comes in in the year has become quite a big impact. So, I think one of the reasons why we felt so comfortable giving the half-year guidance is, an awful lot of it is already baked into the book at that point. So, if you see more coming through, you know, there's obviously potential on that side, but very comfortable with the around £12.5 billion that we talked about at the half year, and if it's a bit higher than that, that's fine. We'll obviously build that in as we go through.

Aman Rakkar: Yeah. Just to drill into one of the real drivers of your rate sensitivity thus far in the rate hiking cycle has been very low deposit passthrough, or deposit betas, as we like to refer to it, reflects a lot of liquidity in the system, but also the strength of your deposit franchise. And I think one thing that I found really remarkable is your commercial banking deposit franchise is really demonstrating the strength of the franchise and very low deposit passthrough. When you look forward, is it reasonable to expect deposit betas to continue being low and a tailwind for NIM

going forward?

Katie Murray:

The guidance that we gave you was around a 50% passthrough of each rate. If we look at the last one, we passed through about 40% on the retail side and I think about 40% on the commercial. And that's growing, so you can see that, collectively, with that last rate hike, it was bigger. And I think if you go to the early stages, when there was very little passthrough, I would say that each rate hike now will bring a passthrough rate different from what we saw in the early stages.

There is, as you say, huge amounts of liquidity in the market. We spent a lot of time also looking at customer behavior. Who is moving funds around? Now, if I'm an SME business, I'm quite possibly more indebted than I was because I was taking government loans. I also have quite a lot of cash sitting in my balance sheet. 24% of government loans haven't the cash absolutely sitting there untouched. We have a very nice 35-day account for SMEs. It pays off about 40 basis points. People aren't moving to it, so they like to have access to cash, even though 35 days is not long term at all, so I think that's quite interesting. So, we're not seeing movement of people in terms of that.

One of the things that we're spending a lot of time on is thinking - deposit beta is a really good headline - what are they doing, and are the banks passing through? But I think what's really important is also, what are you actually doing working with your customers? So, we froze SME fees. Freezing SME fees is more valuable to them than passing on more deposits. The amount of financial health checks that we do with our retail base, that's of greater value to people with very low savings, or almost no savings, when the deposit passthrough actually doesn't help them with the cost of living at all.

But then one of the things for me to think about - what's the whole suite of things that you're doing? You know, we froze an SVR. We only passed through half of the last rate rise on SVR, we didn't pass through all of it. So, if you find yourself in that position, it wasn't as penal. So, I think it's the suite of what you do on the assets and the liability side to work out what is the right balance for all of your shareholder groups, rather than only focusing on the deposit beta, which is an easy, understandable headline. But actually, there's many different ways I think that we can work with customers to get the right outcome for all of our shareholder groups.

Aman Rakkar: That's fair. I guess the other major driver of an improving revenue outlook is the structural hedge. That's a book that's yielding somewhere probably just below 1%. Those balances are being reinvested somewhere between 3 and 4%, based on the current rate outlook, and you've also increased the size of that structural hedge pretty significantly over the last 18 months. I mean, that seems like that's a potentially meaningful tailwind for net interest income going forward.

Katie Murray: Yes, definitely. And what we try to do at interims is to give you the guidance as to what that would be, but you're absolutely right. What we're putting on is significantly above what's falling off, and you see that as it rolls through. I mean, we've always talked about it being very mechanistic. My treasurer, Donal, is in the audience today as well. What we know is that people love the mechanism when it's going up. They don't like it on the way down, so at the moment, it's definitely the right thing to be doing, as it comes off, reinvesting it. I would say that that's a strong benefit. And you saw that, as we did that build of the additional £1.9 billion, how much of that was actually been driven by this structural hedge. But given that those are kind of five-year hedges, you'll see the benefit of that coming through over several years to come.

Aman Rakkar: I guess it would be remiss of me not to complete the NIM picture or the major drivers of the mortgage market. You're a key player in that space. You've taken share. It's interesting; mortgage pricing has been rising a lot. Top rates have been rising a lot. I guess the spread dynamic is maybe yet to settle. But it does seem, from our observation, that over the summer you saw some widening in mortgage margins. What's your take? Do you think this operating environment is sustainable? Do you think we're looking at the reintroduction of risk premium and asset pricing, or is competition just going to return?

Katie Murray: So the way that we look at it, we believe it's a good market. Structurally in the UK, we know that demand outpaces supply. If we look at what we had at Q2, the market was still strong. It remains strong now. There's bits of movement around about it, but we're very comfortable - we believe that the market is behaving rationally. We've done 28 different increases since the rates started to go up. It's something we do quickly, and we can see that the market is behaving in a very rational way, and others are doing the same. So, comfortable that that's still there.



I think that the swap curve moves very quickly. We can move a little bit less quickly. But there's things, obviously, in the background that we try to manage that with in terms of hedging to buy ourselves a little bit of time in terms of that piece. But overall, a good market. We believe we still have good growth within that, and work very hard on how we make sure that we work with the customers so that they don't spend a lot of time on SVR, so that we get them into the renewal process very quickly. It's something we've invested a huge amount in, from a digital perspective. So in terms of renewing your mortgage etc., it's literally a 10-minute thing that you do on the app. Therefore, your ability to convert your customers in - we approached them six months before their term ends so that they can lock that deal in at that point.

So, I think there's lots of things that would happen to make sure that that market's as strong as it is. We know that we're not unique. Other banks are doing the same. But for me, the pricing piece is the critical one to make sure that we continue on that. And at the moment, we're very comfortable that people are continuing to behave very rationally around that market. There is still good, strong demand within the market, which I think is something not to forget in terms of that piece.

Aman Rakkar: Yeah. I guess there is an uncertain outlook for the housing market, for a number of reasons. Does that cause you to shift your risk appetite at all? Do you adjust your approach to that market?

Katie Murray: So, I think the adjustments we make to our risk appetite are around the inflation assumptions, cost of living assumptions, and where we test you on the rate, and obviously our own pricing. We don't believe in our base case that there's a big market price pull coming. You know, 90% of our book is secured. We have 54% loan to value. So, even if you saw a little bit of price movement, actually, we were comfortable from a risk perspective that it's there. When you split out the loan to value, you can see that there's not a whole lot sitting up at that 80-90% that would then move. You know, there's some, but overall, the book's average of 54%. So, we do continue to see it as a very important market for us, and one that we're comfortable continuing to work through. And actually, it's more about the affordability of the individual, rather than the larger macro side of things.

Aman Rakkar: Okay, great. Thank you very much, Katie. We'll bring up the next couple of ARS questions. Audience members, you also have the ability

to ask questions directly to Katie. I think there's some microphones dotted around. We'll make some time available a bit later on.

Then moving to this question - how do you think about NatWest's cost developments versus expectations? Likely to beat expectations, thanks to savings initiatives; Likely to meet expectations; Likely to miss expectations due to cost inflation; 4. Not sure, but I'd like to see more cost savings initiatives.

So, pretty balanced mix there, I guess likely to meet expectations, and I guess the third answer probably just reflects the broader inflationary backdrop.

Katie Murray: You can see in our base case, we had base inflation of 8% in terms of that. We confirmed that we were very comfortable we'd hit the 3% cost reduction this year, but moving to broadly flat into next year. I mean, if inflation is wildly different from that, then that's where you have some challenges. But at the moment, we remain comfortable.

We've got, as you know, a very, very strong history of managing costs in the organization. That continues and will always be a focus in terms of that piece. But I think the broadly flat guidance for next year, feels appropriate in the assumptions that we had made, and let's see what the next few months bring on that side of things.

Aman Rakkar: Given the revenue tailwind that you're enjoying and the net interest income growth that is projected to happen in a two-year period - is there any part of you that's tempted to reinvest the proceeds of this revenue tailwind?

Katie Murray: No, there's definitely a portion of that. When we look at our organization, what we've talked about is we're in year two of a £3 billion investment into the organization. What we find is, it's generally not cash investment that's the challenge for you; it's the capability and the kind of availability of human resources to be able to actually put that level of change into the organization. So, if we had another £20 million, £50 million, £100 million, what would we spend it on? And if we can see that there's capacity in the organization, then we would seek to invest that extra piece.

But at the moment, the £3 billion investment. We're in end of year two, we're tracking very well in terms of that, so I think there'd be some

reinvestment, but that number wouldn't go from 3 to 6 or anything crazy like that. It would be something that would be relatively marginal in terms of that piece. And I think working through and making sure that you really understand what's the next thing you would be wanting to invest in is really important for us.

Aman Rakkar: Great. Bring up Question 4. How do you see NatWest's position on capital and dividends? 1. Upside risk from better earnings; 2. Upside risk from falling regulatory requirements; 3. Downside risks from weaker earnings; 4. Downside risks from rising capital requirements?

Again, a pretty emphatic response, overwhelmingly being upside risks from better earnings in coming years.

I guess to turn more formally to this topic, I feel like '21 and '22 has been an important period for you in terms of your capital returns. You've announced your intention to deliver sizable distributions and actually are in the process of delivering on that, most notably, your £1.75 billion special dividend/share consolidation. And your commitment to hit a 14% CET1 ratio by the end of the year. We've always thought about you as having a surplus capital position, but it really feels like now that the capital generation that's an organic part of your business is potentially the driver of distributions going forward. I guess my question simply is, what are you planning to do with all this capital that you're set to generate?

Katie Murray: So I mean, look, we're really pleased that we've moved from that moment of promising capital return to be really living in it. And that kind of a target to get to 14% was really important for us, and I think we've always talked about it, I think of it as I've got four arrows in my quiver in terms of the return of capital, whether it's your ordinary or special dividends. I think doing the special with consolidation has worked well in terms of the impact of that. And it meant the delivery of the special didn't have adverse impacts on our numbers, which I was very, very pleased about.

Whether you do the direct buyback, we've done two now. They're important to us. I think they help with one of the earlier questions, of course, in-market buyback and the whole dribble out, that sort of activity is really important. And then, of course, there's M&A in terms of that piece. We look at M&A, we look to see what we've done. We've got some small history of doing things like Rooster, I mean, it was a tiny

acquisition, but it demonstrated we were interested in buying capability. We bought the mortgage book for Metro a couple of years ago now, but still interested in that growth of things that adds volume. I think that's something that we'd look at.

But I think our commitment to our shareholders has very much been around the return of capital. And I think that's something that you'll continue to see, as we are highly generative as we move forward from here.

Aman Rakkar: I mean, you did touch upon the theme of M&A. I think you've indicated previously that non-interest income is an area of strategic focus for you and perhaps view yourself as slightly underweight where you'd like to be. I'd be interested to know to what extent you think that you can address that internally, or is an external solution part of that fix?

Katie Murray: Okay, I think it's obviously always a blend, in terms of these things. We're pleased with the progression of our non-interest income. We've seen the kind of recovery kind of coming through, as post COVID has worked its way through. You've seen us very active in the credit card market. A lot of that has to do with fees, as well as obviously interest, which goes into the NII.

We've also spent a huge amount of time on our wealth business, in terms of actually taking the wealth offering we have for our retail bank and having it run by the Coutts side of things. So, now we've got in our organization the ability for our retail customers to easily add investments. So, one of the things we talk about - it took us four years to add the first billion of investment from our retail customers, and that's because you had to really want to invest with us to find that sort of thing. And it took one year to add the next billion. We can see that when we get it to work and we get the right connectivity with our retail base, actually, it's a very easy process for them to do, and we can see the benefit of that coming through. And we're pleased with the performance we've seen in what have been difficult markets in the first half of this year, and also in 2021 of that piece.

But we would accept it still quite small, so I think we do look at wealth things. What we're very clear about is that we'd only look to do an acquisition if we really thought it added real shareholder value. So very much looking at pricing. Is it filling something that we don't have in terms of additional technology or ability to reach a different customer

base, but looking through a very, very hard lens on kind of the shareholder return that it would add to us. You know, we look at pricing of some wealth assets, and it's not something we'd be interested in pursuing at this stage. But very active on looking to see what is in the market in that space. And we've always talked about wealth and unsecured are probably the two areas that we are a bit weaker in, so continue to look at them, but with a very strong shareholder return lens added on to that.

Aman Rakkar: Yep. Just take a pause for a moment to see if there's any questions from the audience. Yeah, we've got one from Vince.

Katie Murray: Hi. Lovely to see you. Good morning.

Audience member: Very quickly, financial investors seem to be a very optimistic group, despite everything they've lived through, and I'm hearing talk of 20% ROE numbers from your fine institution. And can you just help us frame the optimism that seems to be thrown at you and how you're working to balance that out? The Bank of England has been pretty direct and clear about what they see, and I don't hear any of that working into, not your conversations, but just the conversations around financial investors in general.

Katie Murray: Absolutely. I mean, obviously, you know us well, so it's great to see you this morning. But, you know, 14 to 16% ROE at a 2% rate, so you can see that, as the rates rise, that number could rise. I think also what's important is to remember what's driving that higher rate, so it is higher inflation, and that will have some impact on costs. We haven't changed our guidance, but that's something that I think would pull against that if it was to go to those kinds of levels. And also, some kind of impairment charge. I mean, we're comfortable with where we are on them, our cost of risk at the moment. We've said below that 20 to 30 basis points for -- well, this year, we've actually said below 10. And then even in 2023, I can't yet see the factors that are moving us up, other than marking gloom, rather than actual real data points.

But I think if we were to see it continuing to rise, then you might start to see some of that come through. But it's not something that we're seeing at the moment, so it does become this kind of interest rate benefit that can flow through. And I think at that point, we as institutions then have to work out, are we giving the right balance of

return to all of our shareholder groups or stakeholder groups? And I talked a little bit about what are the right things to do for customers, beyond just simple passthrough, to help them with that. And also, are you building in further risk. So, we spend a lot of time looking at the risk parameters we have for the new business that we're writing in, to make sure that is looking forward as we move on from there.

But, you know, we're still holding very firmly to the 14 to 16% return for next year. And let's see where those rates go to. It's interesting, I find there's a lot of talk, and they do pull back a little bit as well.

Aman Rakkar: Thank you. We'll shift to the final two ARS questions, if that's alright. So, this is a bit of a downbeat question, but what are you most concerned about at NatWest in the current macro environment? 1. Weaker revenues; 2. Cost inflation; 3. Deteriorating asset quality; 4. Capital; 5. None of the above, expect NatWest to be resilient.

Again, it's a really clear standout response. Deteriorating asset quality, I think, is reflective of the conversation that we opened with.

The final question on ARS. How would you view significant acquisitions for the group? 1. Very positive, given high return on investment; 2. Marginally positive; 3. Marginally negative; 4. Very negative, given execution risk; 5. Prefer the capital to be returned to shareholders.

Okay, it's quite a spread of answers there. There is one notable standout as a preference around preferring capital to shareholders. I guess the question would just be, is that something that the management team recognized - that there is a pretty compelling reason to hand capital back to shareholders in this environment?

Katie Murray: I mean, I would say that that's reflecting our whole philosophy. When we talk about our capital return narrative, the piece we talk about at the end is M&A. This positioning on that list is not accidental. It can be important. It comes with execution risk. You need to make sure it's really returning value to the shareholder. And what we've really demonstrated, and we've said very publicly a few times is, our preference is to return the capital back to the shareholders. And we will look, and if it's something that's interesting and we believe is really shareholder enhancing, we'll look at that. But it needs to fill either a volume or a capability gap within the organization.

Aman Rakkar: Yeah. If I could ask you about your return on tangible equity, we did touch upon it a moment ago. It was a notable highlight of your Q2 results, the ROTE expectation next year 14 to 16%. It's orders of magnitude higher than what we've been able to achieve over the last decade.

Katie Murray: Certainly.

Aman Rakkar: I guess what I'm interested in is whether you think this is a cyclical high point in terms of return on tangible [equity], or is this actually a level that you think you can build further from on an ongoing basis?

Katie Murray: Yeah, so I mean, when we went to the 14 to 16%, it's obviously very based on some views of cost of risk at 2% and level of base rate return. We spent a lot of time, and we continue to spend a lot of time trying to strengthen that non-interest income, as we've talked about, because we do see that it's misshapen compared to the NII. We're very comfortable with it being guidance for 2023. I think let's see where that macro, which we've talked about, lands as we go forward, and then I'll probably disappoint you and say I'm sure we'll talk more about it in February 2023.

But what we were very pleased with is, we always knew we had built a bank that, when rates started to move, we would get the benefit of that. And that's what we see coming through in that that 14 to 16%. I think let's get that delivered, and then we'll talk about how sustainable that is over a multiyear basis or what it might look like, I think more as we work our way through that and we see some leveling of the macro environment as well.

Aman Rakkar: Okay, great. Last question from me, while I've got about a minute or so with you. It's just around Ulster Bank. It's been a source of strategic focus. You've announced an exit of 90% of the loan book, 75% of the credit RWAs. How is that progressing? What do you expect to be left when we look beyond '23?

Katie Murray: So, I mean we're progressing well. The team, they are doing a fantastic job, as are the other banks in terms of working with us to make sure that we can hit our various deadlines. By the time we get to end 2023, I would expect there to be almost nothing left in terms of the asset side. Our big transaction through to pass through, those small bits that we haven't done transactions on yet you would expect if they're not fully

executed, they would definitely have plans in place as to how they would be doing that. So, it would be minimal on the asset side.

We know that liabilities lag a little bit in terms of that piece, but again, very active work ongoing in that space. And it's not just active work by us, but it's also by a number of the other stakeholders. If you're returning your taxes in Ulster Bank, the revenue authorities will say, we see you have an Ulster bank account, you need to move it sort of thing. So, there's push and pull coming from different directions. That's really important from that side. That'll take a bit more time, as you as you would expect, but we're not overly worried about that.

Costs always take a bit longer. We still have to do returns and all of those sorts of things. But I think that will be more of the '24 story. And I think when we talk next year, you'll be pushing to say, Katie, how quickly can you move some of those things, because clearly, the main deals have been kind of dealt with. But pleased with the progress. It's in line with our expectations. And the management team, they're doing a very good job to continue to work to push that through.

Aman Rakkar: Okay, great. I think we're just about out of time, so thank you very much, everyone, for joining us here today. Thank you very much, Katie, for joining us here.

Katie Murray: My pleasure.

Aman Rakkar: Really appreciate your time, and I think the next session is UBS. So, thank you, everyone.

Katie Murray: Lovely. Thanks very much.