

Post Q2 2024 Consensus Financial Estimates

NatWest Group Investor Relations

6 September 2024



NatWest
Group

NatWest Group – Post Q2 2024 Consensus Financial Estimates (Average)

Models as at 6 September 2024



	Quarter		Full year			
	Q2'24	Q3'24E	2023	2024E	2025E	2026E
Analysts included in consensus	14		15			
NatWest Group						
Group income statement, £m						
Net interest income	2,757	2,784	11,049	11,011	11,576	12,240
Non-interest income	902	791	3,703	3,284	3,323	3,425
Total income	3,659	3,575	14,752	14,295	14,899	15,665
Other operating expenses	(1,928)	(1,881)	(7,641)	(7,792)	(7,969)	(8,167)
Litigation and conduct	(77)	(62)	(355)	(243)	(249)	(243)
Operating expenses	(2,005)	(1,943)	(7,996)	(8,035)	(8,218)	(8,410)
Operating profit before impairment losses	1,654	1,632	6,756	6,260	6,681	7,255
Impairment losses	45	(167)	(578)	(424)	(911)	(1,030)
Operating profit/(loss) before tax	1,699	1,465	6,178	5,835	5,771	6,224
Tax (charge)/credit	(462)	(407)	(1,434)	(1,593)	(1,592)	(1,721)
Profit/(loss) for the period for continuing operations	1,237	1,058	4,744	4,242	4,179	4,503
Profit/(loss) from discontinued operations, net of tax	15	(1)	(112)	(0)	1	1
Profit/(loss) for the period	1,252	1,057	4,632	4,242	4,180	4,505
Attributable to:						
Ordinary shareholders	1,181	988	4,394	3,968	3,899	4,225
Other owners	69	68	242	266	275	274
Non-controlling interests	2	1	(4)	8	6	6
Notable items						
Notable items in income	69	1	413	132	12	11
Net interest income notable items	0	0	(32)	0	0	0
Non-interest income notable items	69	1	445	132	12	11
Memo: Net interest income excluding notable items	2,757	2,784	11,081	11,011	11,576	12,240
Memo: Non-interest income excluding notable items	833	790	3,258	3,153	3,312	3,414
Memo: Total income excluding all notable items	3,590	3,574	14,339	14,163	14,888	15,654
Memo: Ulster direct costs	(30)	(21)	(275)	(88)	(40)	0

	Quarter		Full year			
	Q2'24	Q3'24E	2023	2024E	2025E	2026E
Analysts included in consensus	14		15			
Group balance sheet and capital, £bn						
Net loans to customers (amortised cost)	379.3	381.7	381.4	385.9	397.0	406.8
Group average interest-earning assets (AIEAs)	527.6	528.2	520.6	526.9	538.0	549.9
Total assets	690.3	694.8	692.7	697.2	710.1	721.1
Customer deposits	433.0	433.5	431.4	436.1	444.6	452.5
<i>Customer deposits across the 3 business segments*</i>	425.2	425.3	419.1	426.5	435.0	445.4
Risk-weighted assets	180.8	183.5	183.0	187.3	198.9	204.3
Tangible equity	25.2	25.8	25.7	26.8	28.3	29.9
Average tangible equity (denominator for RoTE)	25.6	25.5	24.7	26.1	27.6	29.1
Number of ordinary shares in issue (m) - period end	8,307	8,293	8,792	8,293	7,887	7,522
Number of ordinary shares in issue (m) - average	8,599	8,332	9,164	8,513	8,091	7,706
Key metrics and ratios						
Group net interest margin	2.10%	2.10%	2.12%	2.09%	2.15%	2.23%
Cost:income ratio	52.7%	52.6%	51.8%	54.5%	53.5%	52.1%
Loan impairment rate	-0.05%	0.17%	0.15%	0.11%	0.23%	0.26%
Return on tangible equity	18.5%	15.7%	17.8%	15.1%	14.2%	14.5%
Earnings/(loss) per ordinary share (p)	13.7p	11.9p	47.9p	46.6p	48.2p	54.8p
Ordinary DPS (p)	6.0p	-	17.9p	18.4p	19.2p	21.5p
Total buy-backs (£m)	1,241	45	2,059	1,480	1,334	1,356
Tangible net asset value (TNAV) per ordinary share (p)	304p	312p	292p	323p	358p	397p
Common Equity Tier 1 (CET1) ratio - transitional basis	13.6%	13.8%	13.4%	13.7%	13.3%	13.5%
Interest rate expectations						
UK base rate (end of period)	5.25%	4.95%	5.25%	4.73%	3.79%	3.49%
UK base rate (average for the period)	5.25%	5.08%	4.69%	5.08%	4.21%	3.58%

*Customer deposits across the 3 businesses reflect Retail Banking, Private Banking and Commercial and Institutional deposits. Group customer deposits also include Ulster Bank Rol and Treasury.

NatWest Group – Post Q2 2024 Consensus Financial Estimates (High & Low)

Models as at 6 September 2024



	Quarter			Full year								
	Q3'24E			2024E			2025E			2026E		
	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Analysts included in consensus	14			15			15			15		
NatWest Group	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Group income statement, £m												
Net interest income	2,730	2,784	2,840	10,856	11,011	11,139	11,154	11,576	12,238	11,632	12,240	12,854
Non-interest income	725	791	831	3,151	3,284	3,392	3,193	3,323	3,524	3,293	3,425	3,600
Total income	3,515	3,575	3,642	14,158	14,295	14,460	14,474	14,899	15,750	15,150	15,665	16,455
Other operating expenses	(1,948)	(1,881)	(1,810)	(7,889)	(7,792)	(7,730)	(8,270)	(7,969)	(7,764)	(8,514)	(8,167)	(7,791)
Litigation and conduct	(83)	(62)	(40)	(300)	(243)	(180)	(300)	(249)	(200)	(300)	(243)	(200)
Operating expenses	(2,018)	(1,943)	(1,850)	(8,114)	(8,035)	(7,922)	(8,570)	(8,218)	(8,014)	(8,814)	(8,410)	(8,041)
Operating profit before impairment losses	1,574	1,632	1,792	6,094	6,260	6,538	6,300	6,681	7,329	6,844	7,255	7,888
Impairment losses	(239)	(167)	(56)	(545)	(424)	(161)	(1,038)	(911)	(738)	(1,192)	(1,030)	(854)
Operating profit/(loss) before tax	1,398	1,465	1,605	5,549	5,835	6,156	5,377	5,771	6,427	5,757	6,224	6,723
Tax (charge)/credit	(491)	(407)	(376)	(1,775)	(1,593)	(1,442)	(1,938)	(1,592)	(1,349)	(2,008)	(1,721)	(1,439)
Profit/(loss) for the period for continuing operations	1,006	1,058	1,142	4,001	4,242	4,459	3,896	4,179	4,570	4,218	4,503	4,855
Profit/(loss) from discontinued operations, net of tax	(8)	(1)	5	(75)	(0)	21	(3)	1	21	0	1	21
Profit/(loss) for the period	1,006	1,057	1,138	4,001	4,242	4,459	3,896	4,180	4,570	4,218	4,505	4,855
Attributable to:												
Ordinary shareholders	920	988	1,077	3,686	3,968	4,217	3,548	3,899	4,255	3,871	4,225	4,567
Other owners	57	68	85	242	266	300	242	275	332	242	274	332
Non-controlling interests	(3)	1	4	(4)	8	19	(4)	6	15	(4)	6	15
Notable items												
Notable items in income	0	1	11	130	132	153	0	12	130	0	11	130
Net interest income notable items	0	0	0	0	0	0	0	0	0	0	0	0
Non-interest income notable items	0	1	11	130	132	153	0	12	130	0	11	130
Memo: Net interest income excluding notable items	2,730	2,784	2,840	10,856	11,011	11,139	11,154	11,576	12,238	11,632	12,240	12,854
Memo: Non-interest income excluding notable items	725	790	820	3,021	3,153	3,262	3,076	3,312	3,512	3,208	3,414	3,600
Memo: Total income excluding all notable items	3,515	3,574	3,642	14,028	14,163	14,330	14,474	14,888	15,750	15,150	15,654	16,455
Memo: Ulster direct costs	(25)	(21)	(10)	(100)	(88)	(55)	(100)	(40)	0	0	0	0

NatWest Group – Post Q2 2024 Consensus Financial Estimates (High & Low)

Models as at 6 September 2024



	Quarter			Full year								
	Q3'24E			2024E			2025E			2026E		
	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Analysts included in consensus	14			15			15			15		
Group balance sheet and capital, £bn												
Net loans to customers (amortised cost)	377.3	381.7	387.1	381.5	385.9	388.9	388.5	397.0	407.6	393.1	406.8	419.0
Group average interest-earning assets (AIEAs)	524.0	528.2	530.9	524.5	526.9	529.0	530.5	538.0	543.7	535.5	549.9	562.2
Total assets	686.3	694.8	717.1	689.8	697.2	702.7	696.8	710.1	725.0	699.8	721.1	746.7
Customer deposits	426.1	433.5	437.3	431.0	436.1	442.4	439.2	444.6	454.1	442.6	452.5	461.4
<i>Customer deposits across the 3 business segments*</i>	418.3	425.3	428.5	421.4	426.5	434.3	426.9	435.0	446.3	431.2	445.4	474.2
Risk-weighted assets	181.5	183.5	186.0	182.9	187.3	192.4	196.9	198.9	200.8	201.6	204.3	208.7
Tangible equity	25.5	25.8	26.0	25.9	26.8	27.2	27.1	28.3	29.0	28.3	29.9	30.6
Average tangible equity (denominator for RoTE)	25.4	25.5	25.6	25.6	26.1	27.0	26.5	27.6	28.0	27.7	29.1	30.2
Number of ordinary shares in issue (m) - period end	8,142	8,293	8,328	8,142	8,293	8,379	7,742	7,887	8,086	7,348	7,522	7,793
Number of ordinary shares in issue (m) - average	8,224	8,332	8,604	8,412	8,513	8,642	7,942	8,091	8,232	7,544	7,706	7,939
Key metrics and ratios												
Group net interest margin	2.05%	2.10%	2.14%	2.06%	2.09%	2.11%	2.08%	2.15%	2.26%	2.14%	2.23%	2.36%
Cost:income ratio	49.7%	52.6%	53.9%	53.5%	54.5%	55.4%	51.3%	53.5%	54.7%	50.3%	52.1%	53.8%
Loan impairment rate	0.06%	0.17%	0.25%	0.04%	0.11%	0.14%	0.21%	0.23%	0.26%	0.22%	0.26%	0.29%
Return on tangible equity	14.8%	15.7%	17.7%	14.3%	15.1%	15.8%	13.4%	14.2%	16.0%	13.5%	14.5%	15.4%
Earnings/(loss) per ordinary share (p)	11.1p	11.9p	12.9p	43.5p	46.6p	49.3p	44.4p	48.2p	53.6p	50.9p	54.8p	60.5p
Ordinary DPS (p)	-	-	-	17.0p	18.4p	21.0p	17.0p	19.2p	21.9p	18.0p	21.5p	23.2p
Total buy-backs (£m)	-	45	500	1,241	1,480	1,741	1,100	1,334	1,661	750	1,356	2,000
Tangible net asset value (TNAV) per ordinary share (p)	310p	312p	313p	317p	323p	327p	347p	358p	366p	382p	397p	413p
Common Equity Tier 1 (CET1) ratio - transitional basis	13.5%	13.8%	14.0%	13.2%	13.7%	14.2%	13.1%	13.3%	13.7%	13.1%	13.5%	13.9%
Interest rate expectations												
UK base rate (end of period)	4.75%	4.95%	5.00%	4.50%	4.73%	4.75%	3.00%	3.79%	4.00%	2.75%	3.49%	4.00%
UK base rate (average for the period)	5.00%	5.08%	5.14%	5.00%	5.08%	5.13%	3.96%	4.21%	4.38%	2.78%	3.58%	4.00%

*Customer deposits across the 3 businesses reflect Retail Banking, Private Banking and Commercial and Institutional deposits. Group customer deposits also include Ulster Bank RoI and Treasury.

NatWest Group – Post Q2 2024 Consensus Financial Estimates (High & Low income excluding notable items)

Models as at 6 September 2024



	Quarter			Full year								
	Q3'24E			2024E			2025E			2026E		
Analysts included in consensus	14			15			15			15		
Group*	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income excluding notable items	2,730	2,784	2,840	10,856	11,011	11,139	11,154	11,576	12,238	11,632	12,240	12,854
Non-interest income excluding notable items	725	790	820	3,021	3,153	3,262	3,076	3,312	3,512	3,208	3,414	3,600
Total income excluding all notable items	3,515	3,574	3,642	14,028	14,163	14,330	14,474	14,888	15,750	15,150	15,654	16,455
Analysts included in consensus	13			13			13			13		
Retail Banking, Private Banking and Commercial & Institutional combined	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income excluding notable items	2,705	2,766	2,821	10,706	10,871	10,984	10,847	11,560	12,093	11,582	12,245	12,764
Non-interest income excluding notable items	715	778	819	3,036	3,181	3,363	3,143	3,272	3,376	3,281	3,392	3,507
Total income excluding all notable items	3,501	3,543	3,602	13,913	14,064	14,327	14,075	14,809	15,468	15,031	15,593	16,271
Analysts included in consensus	13			13			13			13		
Central items & other	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income excluding notable items	(14)	23	50	52	147	270	(157)	33	205	(159)	21	205
Non-interest income excluding notable items	(25)	12	67	(270)	(32)	99	(67)	80	229	(73)	78	229
Total income excluding all notable items	(0)	32	117	(130)	99	336	(40)	102	434	(30)	90	434

*The sum of 'Retail Banking, Private Banking and Commercial & Institutional combined' and 'Central items & other' does not equal 'Group' as not all analysts provide forecasts of business segments

NatWest Group – Post Q2 2024 Consensus Financial Estimates



Models as at 6 September 2024

Disclaimer

The consensus information has been calculated using average estimates received from research analysts.

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