

# Q1 2024 Consensus Financial Estimates

NatWest Group Investor Relations

20 March 2024



NatWest  
Group

# NatWest Group – Q1 2024 Consensus Financial Estimates (Average)

## Models as at 20 March 2024



	Quarter		Full year			
	Q4'23	Q1'24E	2023	2024E	2025E	2026E
Analysts included in consensus	9		12 12 12			
<b>NatWest Group</b>						
<b>Group income statement, £m</b>						
Net interest income	2,638	2,541	11,049	10,232	10,712	11,248
Non-interest income	899	860	3,703	3,314	3,387	3,478
<b>Total income</b>	<b>3,537</b>	<b>3,400</b>	<b>14,752</b>	<b>13,546</b>	<b>14,099</b>	<b>14,726</b>
Other operating expenses	(2,041)	(1,894)	(7,641)	(7,677)	(7,827)	(7,993)
Litigation and conduct	(113)	(67)	(355)	(279)	(260)	(250)
<b>Operating expenses</b>	<b>(2,154)</b>	<b>(1,961)</b>	<b>(7,996)</b>	<b>(7,956)</b>	<b>(8,086)</b>	<b>(8,242)</b>
<b>Operating profit before impairment losses</b>	<b>1,383</b>	<b>1,439</b>	<b>6,756</b>	<b>5,590</b>	<b>6,012</b>	<b>6,484</b>
Impairment losses	(126)	(191)	(578)	(777)	(994)	(1,071)
<b>Operating profit/(loss) before tax</b>	<b>1,257</b>	<b>1,248</b>	<b>6,178</b>	<b>4,813</b>	<b>5,018</b>	<b>5,413</b>
Tax (charge)/credit	5	(355)	(1,434)	(1,355)	(1,403)	(1,520)
<b>Profit/(loss) for the period for continuing operations</b>	<b>1,262</b>	<b>894</b>	<b>4,744</b>	<b>3,458</b>	<b>3,615</b>	<b>3,893</b>
Profit/(loss) from discontinued operations, net of tax	26	(2)	(112)	(11)	(0)	(0)
<b>Profit/(loss) for the period</b>	<b>1,288</b>	<b>892</b>	<b>4,632</b>	<b>3,447</b>	<b>3,615</b>	<b>3,893</b>
<b>Attributable to:</b>						
<b>Ordinary shareholders</b>	<b>1,229</b>	<b>830</b>	<b>4,394</b>	<b>3,201</b>	<b>3,367</b>	<b>3,644</b>
Other owners	60	61	242	248	249	250
Non-controlling interests	(1)	0	(4)	(1)	(1)	(1)
<b>Notable items</b>						
<b>Notable items in income</b>						
Net interest income notable items	(32)	0	(32)	0	0	0
Non-interest income notable items	127	(4)	445	22	(11)	(8)
Memo: Net interest income excluding notable items	2,670	2,541	11,081	10,232	10,712	11,248
Memo: Non-interest income excluding notable items	772	863	3,258	3,292	3,398	3,486
<b>Memo: Total income excluding all notable items</b>	<b>3,442</b>	<b>3,404</b>	<b>14,339</b>	<b>13,524</b>	<b>14,110</b>	<b>14,734</b>
<b>Notable items in expenses</b>						
Memo: Ulster direct costs	(69)	(25)	(275)	(94)	(38)	0

	Quarter		Full year			
	Q4'23	Q1'24E	2023	2024E	2025E	2026E
Analysts included in consensus	9		12 12 12			
<b>Group balance sheet and capital, £bn</b>						
Net loans to customers (amortised cost)	381.4	382.1	381.4	388.5	398.4	408.4
Group average interest-earning assets (AIEAs)	524.7	523.6	520.6	526.6	533.4	541.9
Total assets	692.7	697.4	692.7	702.3	713.4	723.4
Customer deposits	431.4	422.2	431.4	433.3	438.6	445.4
<i>Customer deposits across the 3 business segments*</i>	419.1	410.9	419.1	418.7	424.4	432.4
Risk-weighted assets	183.0	184.5	183.0	189.5	199.3	204.5
Tangible equity	25.7	25.4	25.7	26.4	27.8	29.4
Average tangible equity (denominator for RoTE)	24.4	25.6	24.7	25.8	27.1	28.6
Number of ordinary shares in issue (m) - period end	8,792	8,720	8,792	8,249	7,854	7,493
Number of ordinary shares in issue (m) - average	8,816	8,786	9,164	8,507	8,045	7,667

<b>Key metrics and ratios</b>						
Group net interest margin	1.99%	1.97%	2.12%	1.94%	2.01%	2.08%
Cost:income ratio	57.7%	55.7%	51.8%	56.7%	55.5%	54.3%
Loan impairment rate	0.13%	0.20%	0.15%	0.20%	0.25%	0.26%
Return on tangible equity	20.1%	12.9%	17.8%	12.3%	12.4%	12.7%
Earnings/(loss) per ordinary share (p)	13.9p	9.4p	47.9p	37.6p	41.8p	47.5p
Ordinary DPS (p)	11.5p	--	17.0p	15.9p	17.2p	19.0p
On-market buybacks (£m)	300	-	800	266	309	477
Directed buy-backs (£m)	-	-	1,259	969	788	659
Total buy-backs (£m)	300	-	2,059	1,235	1,006	1,041
Tangible net asset value (TNAV) per ordinary share (p)	292p	292p	292p	320p	354p	393p
Common Equity Tier 1 (CET1) ratio - transitional basis	13.4%	13.5%	13.4%	13.3%	13.1%	13.3%

\*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 – Q1 2024 Consensus Financial Estimates (High & Low)

Models as at 20 March 2024



	Quarter			Full year			Full year			Full year		
	Q1'24			2024E			2025E			2026E		
Analysts included in consensus	9			12			12			12		
NatWest Group	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
<b>Group income statement, £m</b>												
Net interest income	2,438	2,541	2,600	9,870	10,232	10,581	9,750	10,712	11,382	10,047	11,248	12,097
Non-interest income	773	860	938	3,100	3,314	3,566	3,145	3,387	3,632	3,191	3,478	3,747
<b>Total income</b>	<b>3,335</b>	<b>3,400</b>	<b>3,493</b>	<b>13,266</b>	<b>13,546</b>	<b>13,700</b>	<b>13,382</b>	<b>14,099</b>	<b>14,699</b>	<b>13,794</b>	<b>14,726</b>	<b>15,432</b>
Other operating expenses	(1,927)	(1,894)	(1,820)	(7,766)	(7,677)	(7,621)	(7,976)	(7,827)	(7,654)	(8,182)	(7,993)	(7,688)
Litigaton and conduct	(93)	(67)	(50)	(370)	(279)	(208)	(350)	(260)	(200)	(350)	(250)	(200)
<b>Operating expenses</b>	<b>(1,999)</b>	<b>(1,961)</b>	<b>(1,882)</b>	<b>(8,136)</b>	<b>(7,956)</b>	<b>(7,846)</b>	<b>(8,276)</b>	<b>(8,086)</b>	<b>(7,870)</b>	<b>(8,462)</b>	<b>(8,242)</b>	<b>(7,896)</b>
<b>Operating profit before impairment losses</b>	<b>1,362</b>	<b>1,439</b>	<b>1,521</b>	<b>5,294</b>	<b>5,590</b>	<b>5,790</b>	<b>5,369</b>	<b>6,012</b>	<b>6,448</b>	<b>5,756</b>	<b>6,484</b>	<b>7,113</b>
Impairment losses	(253)	(191)	(152)	(1,025)	(777)	(697)	(1,328)	(994)	(850)	(1,368)	(1,071)	(914)
<b>Operating profit/(loss) before tax</b>	<b>1,160</b>	<b>1,248</b>	<b>1,339</b>	<b>4,467</b>	<b>4,813</b>	<b>5,053</b>	<b>4,519</b>	<b>5,018</b>	<b>5,511</b>	<b>4,819</b>	<b>5,413</b>	<b>5,999</b>
Tax (charge)/credit	(390)	(355)	(319)	(1,497)	(1,355)	(1,214)	(1,603)	(1,403)	(1,130)	(1,756)	(1,520)	(1,205)
<b>Profit/(loss) for the period for continuing operations</b>	<b>841</b>	<b>894</b>	<b>950</b>	<b>3,238</b>	<b>3,458</b>	<b>3,782</b>	<b>3,285</b>	<b>3,615</b>	<b>4,163</b>	<b>3,485</b>	<b>3,893</b>	<b>4,404</b>
Profit/(loss) from discontinued operations, net of tax	(13)	(2)	0	(75)	(11)	0	(5)	(0)	0	(5)	(0)	0
<b>Profit/(loss) for the period</b>	<b>841</b>	<b>892</b>	<b>950</b>	<b>3,163</b>	<b>3,447</b>	<b>3,732</b>	<b>3,285</b>	<b>3,615</b>	<b>4,163</b>	<b>3,485</b>	<b>3,893</b>	<b>4,404</b>
<b>Attributable to:</b>												
<b>Ordinary shareholders</b>	<b>776</b>	<b>830</b>	<b>888</b>	<b>2,913</b>	<b>3,201</b>	<b>3,467</b>	<b>3,047</b>	<b>3,367</b>	<b>3,873</b>	<b>3,247</b>	<b>3,644</b>	<b>4,107</b>
Other owners	60	61	64	240	248	266	240	249	290	240	250	297
Non-controlling interests	(1)	0	3	(4)	(1)	12	(4)	(1)	12	(4)	(1)	12
<b>Notable items</b>												
<b>Notable items in income</b>	<b>(23)</b>	<b>(4)</b>	<b>0</b>	<b>(91)</b>	<b>22</b>	<b>288</b>	<b>(90)</b>	<b>(11)</b>	<b>0</b>	<b>(65)</b>	<b>(8)</b>	<b>0</b>
Net interest income notable items	0	0	0	0	0	0	0	0	0	0	0	0
Non-interest income notable items	(23)	(4)	0	(91)	22	288	(90)	(11)	0	(65)	(8)	0
Memo: Net interest income excluding notable items	2,438	2,541	2,600	9,870	10,232	10,581	9,750	10,712	11,382	10,047	11,248	12,097
Memo: Non-interest income excluding notable items	773	863	938	3,100	3,292	3,474	3,145	3,398	3,632	3,191	3,486	3,747
<b>Memo: Total income excluding all notable items</b>	<b>3,335</b>	<b>3,404</b>	<b>3,493</b>	<b>13,226</b>	<b>13,524</b>	<b>13,700</b>	<b>13,382</b>	<b>14,110</b>	<b>14,699</b>	<b>13,794</b>	<b>14,734</b>	<b>15,432</b>
<b>Notable items in expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Memo: Ulster direct costs	(25)	(25)	(25)	(100)	(94)	(75)	(100)	(38)	0	0	0	0

# NatWest Group – Q1 2024 Consensus Financial Estimates (High & Low)

Models as at 20 March 2024



	Quarter			Full year			Full year			Full year		
	Q1'24			2024E			2025E			2026E		
Analysts included in consensus	9			12			12			12		
<b>Group balance sheet and capital, £bn</b>	<b>Low</b>	<b>Average</b>	<b>High</b>	<b>Low</b>	<b>Average</b>	<b>High</b>	<b>Low</b>	<b>Average</b>	<b>High</b>	<b>Low</b>	<b>Average</b>	<b>High</b>
Net loans to customers (amortised cost)	379.0	382.1	384.1	386.5	388.5	391.3	393.5	398.4	404.4	400.5	408.4	418.1
Group average interest-earning assets (AIEAs)	509.4	523.6	528.6	510.1	526.6	533.4	510.6	533.4	545.3	516.9	541.9	559.3
Total assets	686.6	697.4	714.8	689.3	702.3	734.3	687.4	713.4	756.1	684.8	723.4	778.7
Customer deposits	410.5	422.2	435.3	423.3	433.3	440.5	426.2	438.6	448.8	425.3	445.4	457.8
<i>Customer deposits across the 3 business segments*</i>	<i>398.5</i>	<i>410.9</i>	<i>423.0</i>	<i>409.4</i>	<i>418.7</i>	<i>427.9</i>	<i>411.3</i>	<i>424.4</i>	<i>434.9</i>	<i>413.0</i>	<i>432.4</i>	<i>444.7</i>
Risk-weighted assets	183.1	184.5	186.3	185.5	189.5	192.8	197.6	199.3	201.9	201.9	204.5	207.5
Tangible equity	24.7	25.4	26.4	25.1	26.4	27.7	26.1	27.8	28.9	27.1	29.4	30.3
Average tangible equity (denominator for RoTE)	25.2	25.6	26.0	25.1	25.8	26.5	25.6	27.1	28.3	26.6	28.6	29.8
Number of ordinary shares in issue (m) - period end	8,668	8,720	8,792	8,152	8,249	8,337	7,640	7,854	8,251	7,033	7,493	8,007
Number of ordinary shares in issue (m) - average	8,727	8,786	9,039	8,365	8,507	8,688	7,815	8,045	8,280	7,232	7,667	8,129

## Key metrics and ratios

Group net interest margin	1.92%	1.97%	2.02%	1.86%	1.94%	2.00%	1.79%	2.01%	2.14%	1.81%	2.08%	2.29%
Cost:income ratio	54.2%	55.7%	57.2%	55.6%	56.7%	58.1%	53.9%	55.5%	58.0%	52.0%	54.3%	57.1%
Loan impairment rate	0.16%	0.20%	0.26%	0.18%	0.20%	0.27%	0.21%	0.25%	0.34%	0.23%	0.26%	0.34%
Return on tangible equity	11.8%	12.9%	14.1%	11.2%	12.3%	13.4%	11.3%	12.4%	14.3%	11.3%	12.7%	14.3%
Earnings/(loss) per ordinary share (p)	8.9p	9.4p	10.1p	34.2p	37.6p	41.4p	37.1p	41.8p	49.6p	40.5p	47.5p	56.8p
Ordinary DPS (p)	--	--	--	14.0p	15.9p	18.0p	15.8p	17.2p	19.0p	16.5p	19.0p	21.1p
On-market buybacks (£m)	-	-	-	-	266	750	-	309	1,400	-	477	1,300
Directed buy-backs (£m)	-	-	-	900	969	1,099	-	788	1,000	-	659	1,000
Total buy-backs (£m)	-	-	-	900	1,235	1,650	500	1,006	1,400	500	1,041	1,500
Tangible net asset value (TNAV) per ordinary share (p)	283p	292p	304p	306p	320p	337p	335p	354p	377p	367p	393p	419p
Common Equity Tier 1 (CET1) ratio - transitional basis	13.3%	13.5%	13.7%	13.0%	13.3%	13.8%	12.8%	13.1%	13.3%	12.9%	13.3%	13.7%

## Interest rate expectations

UK base rate (end of period)	5.25%	5.25%	5.25%	3.75%	4.40%	4.75%	2.50%	3.45%	4.03%	2.50%	3.29%	4.00%
UK base rate (average for the period)	5.25%	5.25%	5.25%	4.60%	4.92%	5.13%	3.32%	3.87%	4.38%	2.50%	3.32%	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 Rol and Treasury.

# NatWest Group – Q1 2024 Consensus Financial Estimates



## Models as at 20 March 2024

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