

Q1 2024 Consensus Financial Estimates

NatWest Group Investor Relations

22 April 2024



NatWest
Group

NatWest Group – Q1 2024 Consensus Financial Estimates (Average)

Models as at 22 April 2024



	Quarter		Full year			
	Q4'23	Q1'24E	2023	2024E	2025E	2026E
Analysts included in consensus	12		14		14	13
NatWest Group						
Group income statement, £m						
Net interest income	2,638	2,559	11,049	10,293	10,766	11,301
Non-interest income	899	869	3,703	3,288	3,367	3,476
Total income	3,537	3,428	14,752	13,581	14,134	14,778
Other operating expenses	(2,041)	(1,913)	(7,641)	(7,682)	(7,832)	(7,986)
Litigation and conduct	(113)	(67)	(355)	(278)	(255)	(246)
Operating expenses	(2,154)	(1,980)	(7,996)	(7,961)	(8,087)	(8,232)
Operating profit before impairment losses	1,383	1,448	6,756	5,621	6,046	6,545
Impairment losses	(126)	(186)	(578)	(775)	(986)	(1,067)
Operating profit/(loss) before tax	1,257	1,262	6,178	4,845	5,060	5,478
Tax (charge)/credit	5	(353)	(1,434)	(1,354)	(1,406)	(1,532)
Profit/(loss) for the period for continuing operations	1,262	909	4,744	3,491	3,654	3,945
Profit/(loss) from discontinued operations, net of tax	26	(1)	(112)	(10)	(0)	(0)
Profit/(loss) for the period	1,288	908	4,632	3,481	3,654	3,945
Attributable to:						
Ordinary shareholders	1,229	847	4,394	3,235	3,406	3,697
Other owners	60	61	242	247	249	249
Non-controlling interests	(1)	0	(4)	(1)	(1)	(1)
Notable items						
Notable items in income	95	(2)	413	(8)	(8)	(5)
Net interest income notable items	(32)	0	(32)	0	0	0
Non-interest income notable items	127	(2)	445	(8)	(8)	(5)
Memo: Net interest income excluding notable items	2,670	2,559	11,081	10,293	10,766	11,301
Memo: Non-interest income excluding notable items	772	871	3,258	3,296	3,375	3,482
Memo: Total income excluding all notable items	3,442	3,431	14,339	13,589	14,141	14,783
Notable items in expenses						
	0	0	0	0	0	0
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	12		14		14	13
Group balance sheet and capital, £bn						
Net loans to customers (amortised cost)	381.4	382.1	381.4	387.7	397.1	406.9
Group average interest-earning assets (AIEAs)	524.7	524.2	520.6	526.4	532.6	540.9
Total assets	692.7	696.3	692.7	701.4	712.1	721.4
Customer deposits	431.4	424.2	431.4	432.4	436.7	444.2
<i>Customer deposits across the 3 business segments*</i>	<i>419.1</i>	<i>411.9</i>	<i>419.1</i>	<i>418.5</i>	<i>423.9</i>	<i>432.9</i>
Risk-weighted assets	183.0	184.5	183.0	189.6	199.3	204.6
Tangible equity	25.7	25.6	25.7	26.4	27.8	29.5
Average tangible equity (denominator for RoTE)	24.4	25.7	24.7	25.8	27.1	28.7
Number of ordinary shares in issue (m) - period end	8,792	8,718	8,792	8,268	7,877	7,543
Number of ordinary shares in issue (m) - average	8,816	8,778	9,164	8,489	8,055	7,710
Key metrics and ratios						
Group net interest margin	1.99%	1.98%	2.12%	1.96%	2.03%	2.12%
Cost:income ratio	57.7%	55.8%	51.8%	56.6%	55.4%	54.0%
Loan impairment rate	0.13%	0.19%	0.15%	0.20%	0.25%	0.26%
Return on tangible equity	20.1%	12.9%	17.8%	12.5%	12.6%	13.0%
Earnings/(loss) per ordinary share (p)	13.9p	9.6p	47.9p	38.1p	42.3p	48.0p
Ordinary DPS (p)	11.5p	-	17.0p	16.5p	17.7p	19.6p
On-market buybacks (£m)	300	-	800	233	281	542
Directed buy-backs (£m)	-	-	1,259	999	834	659
Total buy-backs (£m)	300	-	2,059	1,232	1,035	982
Tangible net asset value (TNAV) per ordinary share (p)	292p	293p	292p	320p	353p	391p
Common Equity Tier 1 (CET1) ratio - transitional basis	13.4%	13.5%	13.4%	13.3%	13.1%	13.3%
Interest rate expectations						
UK base rate (end of period)	5.25%	5.25%	5.25%	4.37%	3.60%	3.46%
UK base rate (average for the period)	5.25%	5.25%	4.69%	4.97%	3.95%	3.43%

*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 22 April 2024



	Quarter			Full year			Full year			Full year		
	Q1'24			2024E			2025E			2026E		
Analysts included in consensus	12			14			14			13		
NatWest Group	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Group income statement, £m												
Net interest income	2,491	2,559	2,611	9,974	10,293	10,607	9,907	10,766	11,382	10,317	11,301	12,097
Non-interest income	802	869	943	3,064	3,288	3,572	3,121	3,367	3,644	3,191	3,476	3,767
Total income	3,348	3,428	3,539	13,266	13,581	13,743	13,551	14,134	14,699	14,084	14,778	15,432
Other operating expenses	(2,007)	(1,913)	(1,884)	(7,810)	(7,682)	(7,621)	(7,976)	(7,832)	(7,654)	(8,182)	(7,986)	(7,688)
Litigation and conduct	(93)	(67)	(50)	(370)	(278)	(208)	(350)	(255)	(200)	(350)	(246)	(200)
Operating expenses	(2,073)	(1,980)	(1,948)	(8,136)	(7,961)	(7,846)	(8,276)	(8,087)	(7,870)	(8,462)	(8,232)	(7,896)
Operating profit before impairment losses	1,275	1,448	1,537	5,294	5,621	5,806	5,437	6,046	6,448	5,886	6,545	7,113
Impairment losses	(253)	(186)	(147)	(1,025)	(775)	(697)	(1,328)	(986)	(850)	(1,368)	(1,067)	(915)
Operating profit/(loss) before tax	1,073	1,262	1,390	4,467	4,845	5,096	4,587	5,060	5,511	4,845	5,478	5,999
Tax (charge)/credit	(390)	(353)	(296)	(1,497)	(1,354)	(1,202)	(1,603)	(1,406)	(1,147)	(1,756)	(1,532)	(1,252)
Profit/(loss) for the period for continuing operations	777	909	1,042	3,238	3,491	3,782	3,285	3,654	4,163	3,485	3,945	4,404
Profit/(loss) from discontinued operations, net of tax	(13)	(1)	0	(75)	(10)	0	(5)	(0)	0	(5)	(0)	0
Profit/(loss) for the period	777	908	1,042	3,163	3,481	3,732	3,285	3,654	4,163	3,485	3,945	4,404
Attributable to:												
Ordinary shareholders	712	847	981	2,913	3,235	3,467	3,047	3,406	3,873	3,247	3,697	4,107
Other owners	60	61	64	240	247	266	240	249	290	240	249	297
Non-controlling interests	(1)	0	3	(4)	(1)	12	(4)	(1)	12	(4)	(1)	12
Notable items												
Notable items in income	(23)	(2)	0	(91)	(8)	0	(90)	(8)	0	(65)	(5)	0
Net interest income notable items	0	0	0	0	0	0	0	0	0	0	0	0
Non-interest income notable items	(23)	(2)	0	(91)	(8)	0	(90)	(8)	0	(65)	(5)	0
Memo: Net interest income excluding notable items	2,491	2,559	2,611	9,974	10,293	10,607	9,907	10,766	11,382	10,317	11,301	12,097
Memo: Non-interest income excluding notable items	814	871	943	3,064	3,296	3,572	3,121	3,375	3,644	3,191	3,482	3,767
Memo: Total income excluding all notable items	3,348	3,431	3,539	13,266	13,589	13,743	13,551	14,141	14,699	14,084	14,783	15,432
Notable items in expenses												
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 22 April 2024



	Quarter			Full year			Full year			Full year		
	Q1'24			2024E			2025E			2026E		
	12			14			14			13		
	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Analysts included in consensus												
Group balance sheet and capital, £bn												
Net loans to customers (amortised cost)	379.0	382.1	384.1	381.8	387.7	391.3	385.1	397.1	404.4	388.5	406.9	418.1
Group average interest-earning assets (AIEAs)	512.1	524.2	528.6	514.1	526.4	531.8	514.5	532.6	544.1	519.7	540.9	559.3
Total assets	685.8	696.3	714.8	689.3	701.4	734.3	687.4	712.1	756.1	684.8	721.4	778.7
Customer deposits	410.5	424.2	435.3	423.3	432.4	440.5	422.8	436.7	448.8	425.3	444.2	457.8
<i>Customer deposits across the 3 business segments*</i>	398.5	411.9	423.0	409.4	418.5	427.9	411.3	423.9	434.9	413.0	432.9	452.7
Risk-weighted assets	183.1	184.5	186.3	185.5	189.6	192.8	197.8	199.3	201.9	202.0	204.6	207.5
Tangible equity	24.7	25.6	26.4	25.0	26.4	27.7	25.8	27.8	28.9	26.7	29.5	30.8
Average tangible equity (denominator for RoTE)	25.2	25.7	26.4	25.2	25.8	26.6	25.4	27.1	28.3	26.2	28.7	30.2
Number of ordinary shares in issue (m) - period end	8,662	8,718	8,792	8,164	8,268	8,353	7,640	7,877	8,251	7,033	7,543	8,007
Number of ordinary shares in issue (m) - average	8,727	8,778	9,039	8,321	8,489	8,688	7,815	8,055	8,280	7,232	7,710	8,129
Key metrics and ratios												
Group net interest margin	1.93%	1.98%	2.02%	1.90%	1.96%	2.00%	1.92%	2.03%	2.13%	1.96%	2.12%	2.28%
Cost:income ratio	54.8%	55.8%	59.9%	55.6%	56.6%	58.1%	53.9%	55.4%	58.0%	52.0%	54.0%	57.1%
Loan impairment rate	0.15%	0.19%	0.26%	0.18%	0.20%	0.27%	0.21%	0.25%	0.34%	0.23%	0.26%	0.34%
Return on tangible equity	10.9%	12.9%	14.3%	11.2%	12.5%	13.4%	11.3%	12.6%	14.3%	11.4%	13.0%	14.3%
Earnings/(loss) per ordinary share (p)	8.1p	9.6p	11.2p	34.0p	38.1p	41.4p	37.1p	42.3p	49.6p	40.5p	48.0p	56.8p
Ordinary DPS (p)	-	-	-	14.6p	16.5p	18.0p	16.0p	17.7p	19.0p	16.5p	19.6p	21.3p
On-market buybacks (£m)	-	-	-	-	233	750	-	281	1,400	-	542	1,300
Directed buy-backs (£m)	-	-	-	900	999	1,209	-	834	1,162	-	659	1,000
Total buy-backs (£m)	-	-	-	900	1,232	1,650	500	1,035	1,400	-	982	1,500
Tangible net asset value (TNAV) per ordinary share (p)	284p	293p	305p	305p	320p	337p	331p	353p	377p	361p	391p	419p
Common Equity Tier 1 (CET1) ratio - transitional basis	13.3%	13.5%	13.7%	12.8%	13.3%	13.8%	12.7%	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%	3.00%	4.37%	4.75%	2.75%	3.60%	4.03%	2.75%	3.46%	4.00%
UK base rate (average for the period)	5.25%	5.25%	5.25%	4.75%	4.97%	5.13%	3.50%	3.95%	4.38%	2.75%	3.43%	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 (High & Low income excluding notable items)

Models as at 22 April 2024



	Quarter			Full year			Full year			Full year		
	Q1'24			2024E			2025E			2026E		
Analysts included in consensus	12			14			14			13		
Group*	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income excluding notable items	2,491	2,559	2,611	9,974	10,293	10,607	9,907	10,766	11,382	10,317	11,301	12,097
Non-interest income excluding notable items	814	871	943	3,064	3,296	3,572	3,121	3,375	3,644	3,191	3,482	3,767
Total income excluding all notable items	3,348	3,431	3,539	13,266	13,589	13,743	13,551	14,141	14,699	14,084	14,783	15,432
Analysts included in consensus	11			12			12			12		
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	2,509	2,602	2,711	10,144	10,409	10,687	9,907	10,901	11,630	10,317	11,488	12,303
Non-interest income excluding notable items	782	836	885	3,058	3,161	3,282	3,117	3,222	3,394	3,177	3,304	3,517
Total income excluding all notable items	3,345	3,438	3,589	13,267	13,570	13,801	13,301	14,123	14,747	13,834	14,791	15,480
Analysts included in consensus	11			12			12			12		
Central items & other	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income excluding notable items	(133)	(48)	0	(255)	(153)	0	(248)	(135)	0	(248)	(131)	0
Non-interest income excluding notable items	(49)	37	75	0	160	300	0	170	250	0	169	250
Total income excluding all notable items	(182)	(11)	50	(100)	6	200	(66)	35	250	(49)	38	250

*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 – Q1 2024 Consensus Financial Estimates



Models as at 22 April 2024

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