

Q2 2024 Consensus Financial Estimates

NatWest Group Investor Relations

17 July 2024



NatWest
Group

NatWest Group – Q2 2024 Consensus Financial Estimates (Average)

Models as at 17 July 2024



	Quarter		Full year			
	Q1'24	Q2'24E	2023	2024E	2025E	2026E
Analysts included in consensus	14		17	17	17	
NatWest Group						
Group income statement, £m						
Net interest income	2,651	2,614	11,049	10,613	11,185	11,879
Non-interest income	824	792	3,703	3,192	3,270	3,366
Total income	3,475	3,407	14,752	13,805	14,454	15,245
Other operating expenses	(2,028)	(1,916)	(7,641)	(7,770)	(7,911)	(8,085)
Litigation and conduct	(24)	(67)	(355)	(235)	(238)	(228)
Operating expenses	(2,052)	(1,983)	(7,996)	(8,005)	(8,148)	(8,313)
Operating profit before impairment losses	1,423	1,424	6,756	5,800	6,306	6,932
Impairment losses	(93)	(161)	(578)	(637)	(933)	(1,032)
Operating profit/(loss) before tax	1,330	1,262	6,178	5,163	5,373	5,900
Tax (charge)/credit	(339)	(357)	(1,434)	(1,418)	(1,483)	(1,630)
Profit/(loss) for the period for continuing operations	991	905	4,744	3,745	3,890	4,270
Profit/(loss) from discontinued operations, net of tax	(4)	(1)	(112)	(10)	(0)	(0)
Profit/(loss) for the period	987	904	4,632	3,735	3,890	4,270
Attributable to:						
Ordinary shareholders	918	843	4,394	3,480	3,633	4,012
Other owners	60	62	242	250	255	256
Non-controlling interests	9	(0)	(4)	5	2	2
Notable items						
Notable items in income	61	2	413	59	1	1
Net interest income notable items	0	0	(32)	0	0	0
Non-interest income notable items	61	2	445	59	1	1
Memo: Net interest income excluding notable items	2,651	2,614	11,081	10,613	11,185	11,879
Memo: Non-interest income excluding notable items	763	791	3,258	3,133	3,268	3,365
Memo: Total income excluding all notable items	3,414	3,405	14,339	13,746	14,453	15,244
Notable items in expenses	0	0	0	0	0	0
Memo: Ulster direct costs	(25)	(23)	(275)	(80)	(38)	0

Analysts included in consensus

Group balance sheet and capital, £bn

Net loans to customers (amortised cost)

Group average interest-earning assets (AIEAs)

Total assets

Customer deposits

*Customer deposits across the 3 business segments**

Risk-weighted assets

Tangible equity

Average tangible equity (denominator for RoTE)

Number of ordinary shares in issue (m) - period end

Number of ordinary shares in issue (m) - average

Key metrics and ratios

Group net interest margin

Cost:income ratio

Loan impairment rate

Return on tangible equity

Earnings/(loss) per ordinary share (p)

Ordinary DPS (p)

On-market buybacks (£m)

Directed buy-backs (£m)

Total buy-backs (£m)

Tangible net asset value (TNAV) per ordinary share (p)

Common Equity Tier 1 (CET1) ratio - transitional basis

Interest rate expectations

UK base rate (end of period)

UK base rate (average for the period)

	Quarter		Full year			
	Q1'24	Q2'24E	2023	2024E	2025E	2026E
Analysts included in consensus	14		17	17	17	
Group balance sheet and capital, £bn						
Net loans to customers (amortised cost)	378.0	380.1	381.4	385.0	394.7	404.3
Group average interest-earning assets (AIEAs)	521.1	521.5	520.6	522.8	533.0	543.9
Total assets	697.5	697.9	692.7	700.5	712.5	723.3
Customer deposits	432.8	433.7	431.4	436.2	443.4	450.1
<i>Customer deposits across the 3 business segments*</i>	420.0	420.9	419.1	422.9	429.3	438.2
Risk-weighted assets	186.3	186.9	183.0	190.4	200.1	205.3
Tangible equity	26.4	25.0	25.7	26.5	27.9	29.6
Average tangible equity (denominator for RoTE)	25.8	25.5	24.7	26.0	27.2	28.8
Number of ordinary shares in issue (m) - period end	8,727	8,284	8,792	8,263	7,910	7,581
Number of ordinary shares in issue (m) - average	8,755	8,489	9,164	8,475	8,076	7,736
Key metrics and ratios						
Group net interest margin	2.05%	2.01%	2.12%	2.03%	2.10%	2.18%
Cost:income ratio	58.4%	56.2%	51.8%	56.3%	54.7%	53.0%
Loan impairment rate	0.10%	0.17%	0.15%	0.16%	0.24%	0.26%
Return on tangible equity	14.2%	13.4%	17.8%	13.4%	13.4%	13.9%
Earnings/(loss) per ordinary share (p)	10.5p	9.9p	47.9p	41.1p	45.0p	51.9p
Ordinary DPS (p)	-	5.3p	17.0p	17.1p	17.9p	19.9p
On-market buybacks (£m)	-	25	800	129	296	502
Directed buy-backs (£m)	-	1,222	1,259	1,233	913	833
Total buy-backs (£m)	-	1,247	2,059	1,362	1,208	1,335
Tangible net asset value (TNAV) per ordinary share (p)	302p	302p	292p	320p	353p	391p
Common Equity Tier 1 (CET1) ratio - transitional basis	13.5%	13.1%	13.4%	13.3%	13.1%	13.3%
Interest rate expectations						
UK base rate (end of period)	5.25%	5.19%	5.25%	4.69%	3.81%	3.60%
UK base rate (average for the period)	5.25%	5.24%	4.69%	5.07%	4.21%	3.71%

*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 – Q2 2024 Consensus Financial Estimates (High & Low)

Models as at 17 July 2024



	Quarter			Full year								
	Q2'24E			2024E			2025E			2026E		
	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Analysts included in consensus	14			17			17			17		
NatWest Group	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Group income statement, £m												
Net interest income	2,473	2,614	2,674	10,432	10,613	10,800	10,619	11,185	11,557	11,012	11,879	12,402
Non-interest income	745	792	914	3,056	3,192	3,355	3,109	3,270	3,502	3,167	3,366	3,624
Total income	3,345	3,407	3,458	13,642	13,805	13,952	14,062	14,454	14,838	14,636	15,245	15,863
Other operating expenses	(2,000)	(1,916)	(1,858)	(7,844)	(7,770)	(7,730)	(8,079)	(7,911)	(7,714)	(8,321)	(8,085)	(7,689)
Litigation and conduct	(101)	(67)	(40)	(302)	(235)	(100)	(315)	(238)	(100)	(300)	(228)	(50)
Operating expenses	(2,088)	(1,983)	(1,910)	(8,105)	(8,005)	(7,849)	(8,329)	(8,148)	(7,964)	(8,571)	(8,313)	(7,939)
Operating profit before impairment losses	1,330	1,424	1,549	5,596	5,800	6,060	6,020	6,306	6,699	6,451	6,932	7,480
Impairment losses	(201)	(161)	(72)	(728)	(637)	(532)	(1,113)	(933)	(654)	(1,177)	(1,032)	(737)
Operating profit/(loss) before tax	1,194	1,262	1,383	4,954	5,163	5,424	5,095	5,373	5,750	5,472	5,900	6,354
Tax (charge)/credit	(412)	(357)	(307)	(1,572)	(1,418)	(1,282)	(1,729)	(1,483)	(1,274)	(1,894)	(1,630)	(1,373)
Profit/(loss) for the period for continuing operations	846	905	1,010	3,517	3,745	3,918	3,646	3,890	4,292	3,984	4,270	4,663
Profit/(loss) from discontinued operations, net of tax	(15)	(1)	4	(75)	(10)	0	(4)	(0)	0	(4)	(0)	0
Profit/(loss) for the period	846	904	1,010	3,513	3,735	3,914	3,646	3,890	4,292	3,984	4,270	4,663
Attributable to:												
Ordinary shareholders	787	843	945	3,266	3,480	3,647	3,358	3,633	4,010	3,718	4,012	4,381
Other owners	60	62	70	240	250	283	240	255	306	240	256	306
Non-controlling interests	(11)	(0)	5	(6)	5	22	(6)	2	12	(6)	2	12
Notable items												
Notable items in income	0	2	20	0	59	121	0	1	25	0	1	15
Net interest income notable items	0	0	0	0	0	0	0	0	0	0	0	0
Non-interest income notable items	0	2	20	0	59	121	0	1	25	0	1	15
Memo: Net interest income excluding notable items	2,473	2,614	2,674	10,432	10,613	10,800	10,619	11,185	11,557	11,012	11,879	12,402
Memo: Non-interest income excluding notable items	741	791	914	2,995	3,133	3,294	3,109	3,268	3,502	3,167	3,365	3,624
 Memo: Total income excluding all notable items	3,325	3,405	3,458	13,521	13,746	13,891	14,062	14,453	14,838	14,636	15,244	15,863
Notable items in expenses	0	0	0	0	0	0	0	0	0	0	0	0
Memo: Ulster direct costs	(25)	(23)	(17)	(100)	(80)	(25)	(100)	(38)	0	0	0	0

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

Models as at 17 July 2024



	Quarter			Full year								
	Q2'24E			2024E			2025E			2026E		
	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Analysts included in consensus	14			17			17			17		
Group balance sheet and capital, £bn												
Net loans to customers (amortised cost)	377.0	380.1	387.1	378.8	385.0	389.3	382.1	394.7	402.7	385.5	404.3	414.1
Group average interest-earning assets (AIEAs)	515.0	521.5	527.9	517.8	522.8	525.8	521.9	533.0	539.4	525.2	543.9	552.1
Total assets	694.3	697.9	702.2	689.8	700.5	711.2	693.5	712.5	729.0	696.8	723.3	744.8
Customer deposits	422.7	433.7	447.3	427.8	436.2	450.5	432.6	443.4	457.5	430.4	450.1	466.2
<i>Customer deposits across the 3 business segments*</i>	410.2	420.9	434.5	415.5	422.9	437.7	419.6	429.3	444.7	417.8	438.2	461.1
Risk-weighted assets	185.7	186.9	189.4	188.2	190.4	193.9	196.7	200.1	203.2	201.6	205.3	212.1
Tangible equity	24.4	25.0	26.4	25.7	26.5	28.0	26.7	27.9	29.3	27.9	29.6	31.0
Average tangible equity (denominator for RoTE)	24.4	25.5	26.4	25.4	26.0	26.9	26.3	27.2	28.6	27.4	28.8	31.0
Number of ordinary shares in issue (m) - period end	8,238	8,284	8,372	7,972	8,263	8,338	7,606	7,910	8,313	7,280	7,581	8,160
Number of ordinary shares in issue (m) - average	8,241	8,489	8,685	8,363	8,475	8,565	7,789	8,076	8,317	7,434	7,736	8,236
Key metrics and ratios												
Group net interest margin	1.88%	2.01%	2.06%	1.99%	2.03%	2.06%	2.01%	2.10%	2.20%	2.04%	2.18%	2.36%
Cost:income ratio	53.7%	56.2%	58.4%	55.5%	56.3%	57.0%	53.1%	54.7%	55.9%	51.5%	53.0%	55.4%
Loan impairment rate	0.08%	0.17%	0.21%	0.14%	0.16%	0.19%	0.17%	0.24%	0.29%	0.18%	0.26%	0.29%
Return on tangible equity	12.5%	13.4%	14.3%	12.6%	13.4%	13.9%	12.6%	13.4%	14.9%	12.5%	13.9%	15.3%
Earnings/(loss) per ordinary share (p)	9.3p	9.9p	11.3p	38.8p	41.1p	43.5p	41.6p	45.0p	50.6p	46.9p	51.9p	58.9p
Ordinary DPS (p)	4.3p	5.3p	5.8p	16.0p	17.1p	17.7p	16.0p	17.9p	19.4p	16.5p	19.9p	22.4p
On-market buybacks (£m)	-	25	300	-	129	400	-	296	1,400	-	502	1,500
Directed buy-backs (£m)	1,000	1,222	1,335	1,000	1,233	1,353	-	913	1,422	-	833	1,550
Total buy-backs (£m)	1,000	1,247	1,400	1,241	1,362	1,639	500	1,208	1,600	500	1,335	1,950
Tangible net asset value (TNAV) per ordinary share (p)	281p	302p	317p	312p	320p	339p	339p	353p	375p	368p	391p	412p
Common Equity Tier 1 (CET1) ratio - transitional basis	12.9%	13.1%	13.2%	13.0%	13.3%	13.5%	12.9%	13.1%	13.4%	13.0%	13.3%	13.8%
Interest rate expectations												
UK base rate (end of period)	5.00%	5.19%	5.25%	4.50%	4.69%	5.00%	3.00%	3.81%	4.25%	3.00%	3.60%	4.00%
UK base rate (average for the period)	5.17%	5.24%	5.25%	4.97%	5.07%	5.23%	4.00%	4.21%	4.50%	3.50%	3.71%	4.15%

*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 – Q2 2024 Consensus Financial Estimates (High & Low income excluding notable items)

Models as at 17 July 2024



	Quarter			Full year								
	Q2'24E			2024E			2025E			2026E		
Analysts included in consensus	14			17			17			17		
Group*	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income excluding notable items	2,473	2,614	2,674	10,432	10,613	10,800	10,619	11,185	11,557	11,012	11,879	12,402
Non-interest income excluding notable items	741	791	914	2,995	3,133	3,294	3,109	3,268	3,502	3,167	3,365	3,624
Total income excluding all notable items	3,325	3,405	3,458	13,521	13,746	13,891	14,062	14,453	14,838	14,636	15,244	15,863
Analysts included in consensus	12			15			15			15		
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	2,567	2,613	2,672	10,412	10,573	10,702	10,619	11,205	11,490	11,012	11,914	12,402
Non-interest income excluding notable items	738	771	798	3,028	3,126	3,267	3,109	3,223	3,352	3,167	3,322	3,479
Total income excluding all notable items	3,305	3,384	3,458	13,439	13,699	13,937	13,971	14,428	14,838	14,486	15,235	15,863
Analysts included in consensus	12			15			15			15		
Central items & other	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income excluding notable items	(156)	(1)	64	(201)	51	234	(177)	17	234	(159)	21	234
Non-interest income excluding notable items	(33)	20	138	(201)	9	150	(140)	53	200	(140)	49	200
Total income excluding all notable items	(18)	20	83	(62)	60	271	0	70	332	0	70	332

*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 – Q2 2024 Consensus Financial Estimates



Models as at 17 July 2024

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