

# Q2 2024 Consensus Financial Estimates

NatWest Group Investor Relations

22 May 2024



NatWest  
Group

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

Models as at 22 May 2024



	Quarter		Full year			
	Q1'24	Q2'24E	2023	2024E	2025E	2026E
Analysts included in consensus	13		16 16 16			
<b>NatWest Group</b>						
<b>Group income statement, £m</b>						
Net interest income	2,651	2,612	11,049	10,602	11,130	11,800
Non-interest income	824	791	3,703	3,186	3,260	3,357
<b>Total income</b>	<b>3,475</b>	<b>3,403</b>	<b>14,752</b>	<b>13,788</b>	<b>14,390</b>	<b>15,157</b>
Other operating expenses	(2,028)	(1,897)	(7,641)	(7,762)	(7,906)	(8,085)
Litigation and conduct	(24)	(67)	(355)	(233)	(237)	(228)
<b>Operating expenses</b>	<b>(2,052)</b>	<b>(1,964)</b>	<b>(7,996)</b>	<b>(7,994)</b>	<b>(8,143)</b>	<b>(8,313)</b>
<b>Operating profit before impairment losses</b>	<b>1,423</b>	<b>1,439</b>	<b>6,756</b>	<b>5,793</b>	<b>6,247</b>	<b>6,844</b>
Impairment losses	(93)	(171)	(578)	(652)	(935)	(1,018)
<b>Operating profit/(loss) before tax</b>	<b>1,330</b>	<b>1,268</b>	<b>6,178</b>	<b>5,142</b>	<b>5,313</b>	<b>5,826</b>
Tax (charge)/credit	(339)	(358)	(1,434)	(1,410)	(1,462)	(1,609)
<b>Profit/(loss) for the period for continuing operations</b>	<b>991</b>	<b>910</b>	<b>4,744</b>	<b>3,732</b>	<b>3,850</b>	<b>4,217</b>
Profit/(loss) from discontinued operations, net of tax	(4)	(1)	(112)	(10)	(0)	(0)
<b>Profit/(loss) for the period</b>	<b>987</b>	<b>909</b>	<b>4,632</b>	<b>3,722</b>	<b>3,850</b>	<b>4,217</b>
<b>Attributable to:</b>						
<b>Ordinary shareholders</b>	<b>918</b>	<b>848</b>	<b>4,394</b>	<b>3,470</b>	<b>3,600</b>	<b>3,966</b>
Other owners	60	61	242	246	248	248
Non-controlling interests	9	(0)	(4)	6	3	3
<b>Notable items</b>						
<b>Notable items in income</b>	<b>61</b>	<b>(1)</b>	<b>413</b>	<b>52</b>	<b>(3)</b>	<b>(3)</b>
Net interest income notable items	0	0	(32)	0	0	0
Non-interest income notable items	61	(1)	445	52	(3)	(3)
Memo: Net interest income excluding notable items	2,651	2,612	11,081	10,602	11,130	11,800
Memo: Non-interest income excluding notable items	763	792	3,258	3,134	3,263	3,360
<b>Memo: Total income excluding all notable items</b>	<b>3,414</b>	<b>3,404</b>	<b>14,339</b>	<b>13,736</b>	<b>14,393</b>	<b>15,160</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>
Memo: Ulster direct costs	(25)	(25)	(275)	(81)	(50)	0

	Quarter		Full year			
	Q1'24	Q2'24E	2023	2024E	2025E	2026E
Analysts included in consensus	13		16 16 16			
<b>Group balance sheet and capital, £bn</b>						
Net loans to customers (amortised cost)	378.0	380.7	381.4	385.5	394.6	404.0
Group average interest-earning assets (AIEAs)	521.1	521.4	520.6	522.8	532.5	543.2
Total assets	697.5	698.0	692.7	700.6	712.0	722.7
Customer deposits	432.8	433.8	431.4	436.3	442.6	449.4
<i>Customer deposits across the 3 business segments*</i>	<i>420.0</i>	<i>421.0</i>	<i>419.1</i>	<i>423.2</i>	<i>429.1</i>	<i>436.1</i>
Risk-weighted assets	186.3	186.9	183.0	190.5	200.1	205.1
Tangible equity	26.4	25.2	25.7	26.6	27.9	29.6
Average tangible equity (denominator for RoTE)	25.8	25.6	24.7	26.0	27.2	28.8
Number of ordinary shares in issue (m) - period end	8,727	8,303	8,792	8,259	7,888	7,541
Number of ordinary shares in issue (m) - average	8,755	8,480	9,164	8,474	8,063	7,705
<b>Key metrics and ratios</b>						
Group net interest margin	2.05%	2.01%	2.12%	2.03%	2.09%	2.17%
Cost:income ratio	58.4%	55.7%	51.8%	56.3%	54.9%	53.3%
Loan impairment rate	0.10%	0.18%	0.15%	0.17%	0.24%	0.25%
Return on tangible equity	14.2%	13.3%	17.8%	13.3%	13.2%	13.8%
Earnings/(loss) per ordinary share (p)	10.5p	10.0p	47.9p	41.0p	44.6p	51.5p
Ordinary DPS (p)	-	5.3p	17.0p	16.8p	17.8p	19.9p
On-market buybacks (£m)	-	27	800	109	256	439
Directed buy-backs (£m)	-	1,178	1,259	1,243	970	901
Total buy-backs (£m)	-	1,205	2,059	1,352	1,226	1,340
Tangible net asset value (TNAV) per ordinary share (p)	302p	304p	292p	321p	354p	392p
Common Equity Tier 1 (CET1) ratio - transitional basis	13.5%	13.1%	13.4%	13.3%	13.1%	13.3%
<b>Interest rate expectations</b>						
UK base rate (end of period)	5.25%	5.16%	5.25%	4.66%	3.76%	3.60%
UK base rate (average for the period)	5.25%	5.23%	4.69%	5.03%	4.12%	3.65%

\*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 22 May 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	13			16			16			16		
<b>NatWest Group</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>
<b>Group income statement, £m</b>												
Net interest income	2,473	2,612	2,674	10,373	10,602	10,800	10,310	11,130	11,557	10,750	11,800	12,402
Non-interest income	717	791	914	3,056	3,186	3,402	3,076	3,260	3,541	3,147	3,357	3,664
<b>Total income</b>	<b>3,368</b>	<b>3,403</b>	<b>3,458</b>	<b>13,672</b>	<b>13,788</b>	<b>13,952</b>	<b>13,851</b>	<b>14,390</b>	<b>14,786</b>	<b>14,415</b>	<b>15,157</b>	<b>15,797</b>
Other operating expenses	(1,980)	(1,897)	(1,846)	(7,876)	(7,762)	(7,682)	(8,112)	(7,906)	(7,714)	(8,355)	(8,085)	(7,689)
Litigaton and conduct	(101)	(67)	(40)	(302)	(233)	(100)	(315)	(237)	(100)	(300)	(228)	(50)
<b>Operating expenses</b>	<b>(2,033)</b>	<b>(1,964)</b>	<b>(1,910)</b>	<b>(8,149)</b>	<b>(7,994)</b>	<b>(7,849)</b>	<b>(8,362)</b>	<b>(8,143)</b>	<b>(7,964)</b>	<b>(8,605)</b>	<b>(8,313)</b>	<b>(7,939)</b>
<b>Operating profit before impairment losses</b>	<b>1,360</b>	<b>1,439</b>	<b>1,549</b>	<b>5,582</b>	<b>5,793</b>	<b>6,060</b>	<b>5,750</b>	<b>6,247</b>	<b>6,635</b>	<b>6,146</b>	<b>6,844</b>	<b>7,366</b>
Impairment losses	(206)	(171)	(140)	(732)	(652)	(542)	(1,113)	(935)	(654)	(1,152)	(1,018)	(737)
<b>Operating profit/(loss) before tax</b>	<b>1,198</b>	<b>1,268</b>	<b>1,383</b>	<b>4,850</b>	<b>5,142</b>	<b>5,424</b>	<b>4,817</b>	<b>5,313</b>	<b>5,750</b>	<b>5,104</b>	<b>5,826</b>	<b>6,354</b>
Tax (charge)/credit	(418)	(358)	(300)	(1,592)	(1,410)	(1,280)	(1,730)	(1,462)	(1,204)	(1,895)	(1,609)	(1,316)
<b>Profit/(loss) for the period for continuing operations</b>	<b>857</b>	<b>910</b>	<b>1,010</b>	<b>3,539</b>	<b>3,732</b>	<b>3,918</b>	<b>3,529</b>	<b>3,850</b>	<b>4,292</b>	<b>3,712</b>	<b>4,217</b>	<b>4,663</b>
Profit/(loss) from discontinued operations, net of tax	(15)	(1)	4	(75)	(10)	0	(4)	(0)	0	(4)	(0)	0
<b>Profit/(loss) for the period</b>	<b>857</b>	<b>909</b>	<b>1,010</b>	<b>3,464</b>	<b>3,722</b>	<b>3,914</b>	<b>3,529</b>	<b>3,850</b>	<b>4,292</b>	<b>3,712</b>	<b>4,217</b>	<b>4,663</b>
<b>Attributable to:</b>												
<b>Ordinary shareholders</b>	<b>794</b>	<b>848</b>	<b>945</b>	<b>3,214</b>	<b>3,470</b>	<b>3,663</b>	<b>3,271</b>	<b>3,600</b>	<b>4,010</b>	<b>3,447</b>	<b>3,966</b>	<b>4,381</b>
Other owners	60	61	64	240	246	262	240	248	282	240	248	282
Non-controlling interests	(11)	(0)	5	(4)	6	22	(4)	3	12	(4)	3	12
<b>Notable items</b>												
<b>Notable items in income</b>	<b>(10)</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>52</b>	<b>66</b>	<b>(50)</b>	<b>(3)</b>	<b>0</b>	<b>(50)</b>	<b>(3)</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	(10)	(1)	0	0	52	66	(50)	(3)	0	(50)	(3)	0
Memo: Net interest income excluding notable items	2,473	2,612	2,674	10,373	10,602	10,800	10,310	11,130	11,557	10,750	11,800	12,402
Memo: Non-interest income excluding notable items	717	792	914	2,995	3,134	3,402	3,076	3,263	3,541	3,147	3,360	3,664
<b>Memo: Total income excluding all notable items</b>	<b>3,368</b>	<b>3,404</b>	<b>3,458</b>	<b>13,611</b>	<b>13,736</b>	<b>13,891</b>	<b>13,851</b>	<b>14,393</b>	<b>14,786</b>	<b>14,415</b>	<b>15,160</b>	<b>15,797</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)	(81)	(25)	(100)	(50)	0	0	0	0

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

## Models as at 22 May 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	13			16			16			16		
<b>Group balance sheet and capital, £bn</b>												
Net loans to customers (amortised cost)	377.2	380.7	387.1	378.8	385.5	392.2	382.1	394.6	402.7	385.5	404.0	414.1
Group average interest-earning assets (AIEAs)	515.0	521.4	527.9	517.8	522.8	525.8	521.9	532.5	539.3	525.2	543.2	552.0
Total assets	694.3	698.0	702.2	689.8	700.6	711.2	691.0	712.0	729.0	694.0	722.7	744.8
Customer deposits	422.7	433.8	447.3	427.8	436.3	450.5	432.6	442.6	457.5	430.4	449.4	464.7
<i>Customer deposits across the 3 business segments*</i>	<i>410.2</i>	<i>421.0</i>	<i>434.5</i>	<i>415.5</i>	<i>423.2</i>	<i>437.7</i>	<i>420.0</i>	<i>429.1</i>	<i>444.7</i>	<i>417.8</i>	<i>436.1</i>	<i>451.9</i>
Risk-weighted assets	185.7	186.9	189.4	188.2	190.5	193.9	196.7	200.1	203.2	199.7	205.1	212.1
Tangible equity	24.5	25.2	26.7	25.6	26.6	28.0	26.6	27.9	29.3	27.5	29.6	30.9
Average tangible equity (denominator for RoTE)	25.0	25.6	26.4	25.4	26.0	26.9	26.1	27.2	28.6	27.1	28.8	30.6
Number of ordinary shares in issue (m) - period end	8,194	8,303	8,660	7,972	8,259	8,369	7,618	7,888	8,313	7,292	7,541	8,160
Number of ordinary shares in issue (m) - average	8,241	8,480	8,687	8,363	8,474	8,581	7,795	8,063	8,317	7,434	7,705	8,236
<b>Key metrics and ratios</b>												
Group net interest margin	1.88%	2.01%	2.06%	1.99%	2.03%	2.06%	1.95%	2.09%	2.20%	1.99%	2.17%	2.36%
Cost:income ratio	53.7%	55.7%	58.4%	55.5%	56.3%	57.5%	53.1%	54.9%	57.0%	51.5%	53.3%	56.6%
Loan impairment rate	0.14%	0.18%	0.22%	0.14%	0.17%	0.19%	0.17%	0.24%	0.29%	0.18%	0.25%	0.29%
Return on tangible equity	12.5%	13.3%	14.3%	12.4%	13.3%	13.9%	11.9%	13.2%	14.9%	12.1%	13.8%	15.3%
Earnings/(loss) per ordinary share (p)	9.4p	10.0p	11.3p	37.7p	41.0p	43.5p	40.4p	44.6p	50.6p	44.1p	51.5p	58.9p
Ordinary DPS (p)	4.3p	5.3p	5.8p	15.1p	16.8p	17.7p	16.0p	17.8p	19.4p	16.5p	19.9p	22.4p
On-market buybacks (£m)	-	27	300	-	109	400	-	256	1,400	-	439	1,500
Directed buy-backs (£m)	837	1,178	1,398	900	1,243	1,624	-	970	1,422	-	901	1,550
Total buy-backs (£m)	837	1,205	1,400	1,200	1,352	1,634	500	1,226	1,600	500	1,340	1,950
Tangible net asset value (TNAV) per ordinary share (p)	288p	304p	317p	312p	321p	339p	339p	354p	375p	367p	392p	414p
Common Equity Tier 1 (CET1) ratio - transitional basis	12.9%	13.1%	13.7%	12.9%	13.3%	13.6%	12.9%	13.1%	13.4%	12.9%	13.3%	13.8%
<b>Interest rate expectations</b>												
UK base rate (end of period)	5.00%	5.16%	5.25%	4.50%	4.66%	5.00%	2.75%	3.76%	4.25%	3.00%	3.60%	4.00%
UK base rate (average for the period)	5.17%	5.23%	5.25%	4.87%	5.03%	5.23%	3.50%	4.12%	4.50%	3.00%	3.65%	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 22 May 2024



	Quarter			Full year											
	Q2'24E			2024E			2025E			2026E					
Analysts included in consensus	13			16			16			16					
<b>Group*</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 interest income excluding notable items	2,473	2,612	2,674	10,373	10,602	10,800	10,310	11,130	11,557	10,750	11,800	12,402			
Non-interest income excluding notable items	717	792	914	2,995	3,134	3,402	3,076	3,263	3,541	3,147	3,360	3,664			
<b>Total income excluding all notable items</b>	<b>3,368</b>	<b>3,404</b>	<b>3,458</b>	<b>13,611</b>	<b>13,736</b>	<b>13,891</b>	<b>13,851</b>	<b>14,393</b>	<b>14,786</b>	<b>14,415</b>	<b>15,160</b>	<b>15,797</b>			
Analysts included in consensus	12			12			12			12					
<b>Retail Banking, Private Banking and Commercial &amp; Institutional combined</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 interest income excluding notable items	2,569	2,617	2,672	10,318	10,561	10,702	10,210	11,147	11,476	10,650	11,825	12,402			
Non-interest income excluding notable items	739	770	791	3,030	3,130	3,269	3,109	3,225	3,391	3,167	3,319	3,514			
<b>Total income excluding all notable items</b>	<b>3,320</b>	<b>3,387</b>	<b>3,458</b>	<b>13,464</b>	<b>13,691</b>	<b>13,937</b>	<b>13,601</b>	<b>14,372</b>	<b>14,772</b>	<b>14,165</b>	<b>15,144</b>	<b>15,722</b>			
Analysts included in consensus	12			13			13			13					
<b>Central items &amp; other</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 interest income excluding notable items	(156)	(7)	64	(201)	51	234	(177)	23	234	(159)	28	234			
Non-interest income excluding notable items	(33)	23	138	(201)	6	150	(140)	48	200	(140)	44	200			
<b>Total income excluding all notable items</b>	<b>(18)</b>	<b>16</b>	<b>83</b>	<b>(62)</b>	<b>57</b>	<b>271</b>	<b>0</b>	<b>71</b>	<b>332</b>	<b>0</b>	<b>72</b>	<b>332</b>			

\*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 22 May 2024

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

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