

Q3 2024 Consensus Financial Estimates

NatWest Group Investor Relations

18 October 2024



NatWest
Group

NatWest Group – Q3 2024 Consensus Financial Estimates (Average)

Models as at 18 October 2024



	Quarter		Full year			
	Q2'24	Q3'24E	2023	2024E	2025E	2026E
Analysts included in consensus	14		15	14	14	
NatWest Group						
Group income statement, £m						
Net interest income	2,757	2,785	11,049	11,012	11,549	12,259
Non-interest income	902	794	3,703	3,287	3,303	3,404
Total income	3,659	3,579	14,752	14,300	14,852	15,663
Other operating expenses	(1,928)	(1,884)	(7,641)	(7,793)	(7,958)	(8,142)
Litigation and conduct	(77)	(63)	(355)	(243)	(249)	(246)
Operating expenses	(2,005)	(1,947)	(7,996)	(8,036)	(8,207)	(8,388)
Operating profit before impairment losses	1,654	1,631	6,756	6,264	6,645	7,275
Impairment losses	45	(173)	(578)	(435)	(894)	(1,005)
Operating profit/(loss) before tax	1,699	1,458	6,178	5,829	5,750	6,270
Tax (charge)/credit	(462)	(398)	(1,434)	(1,577)	(1,565)	(1,712)
Profit/(loss) for the period for continuing operations	1,237	1,061	4,744	4,252	4,185	4,558
Profit/(loss) from discontinued operations, net of tax	15	(1)	(112)	(0)	(0)	0
Profit/(loss) for the period	1,252	1,059	4,632	4,252	4,185	4,558
Attributable to:						
Ordinary shareholders	1,181	990	4,394	3,975	3,900	4,274
Other owners	69	70	242	269	280	280
Non-controlling interests	2	0	(4)	8	5	5
Notable items						
Notable items in income	69	1	413	132	13	12
Net interest income notable items	0	0	(32)	0	0	0
Non-interest income notable items	69	1	445	132	13	12
Memo: Net interest income excluding notable items	2,757	2,785	11,081	11,012	11,549	12,259
Memo: Non-interest income excluding notable items	833	793	3,258	3,156	3,290	3,393
Memo: Total income excluding all notable items	3,590	3,578	14,339	14,168	14,839	15,652
Memo: Ulster direct costs	(30)	(21)	(275)	(88)	(40)	0

Analysts included in consensus

Group balance sheet and capital, £bn

	Quarter		Full year			
	Q2'24	Q3'24E	2023	2024E	2025E	2026E
Analysts included in consensus	14		15	14	14	
Net loans to customers (amortised cost)	379.3	382.2	381.4	386.0	396.0	405.9
Group average interest-earning assets (AIEAs)	527.6	528.6	520.6	527.0	536.2	546.5
Total assets	690.3	692.8	692.7	696.9	707.4	718.7
Customer deposits	433.0	432.8	431.4	434.5	442.3	450.2
<i>Customer deposits across the 3 business segments*</i>	<i>425.2</i>	<i>425.1</i>	<i>419.1</i>	<i>425.8</i>	<i>433.6</i>	<i>444.1</i>
Risk-weighted assets	180.8	183.5	183.0	187.4	198.8	204.5
Tangible equity	25.2	25.9	25.7	26.8	28.2	29.8
Average tangible equity (denominator for RoTE)	25.6	25.6	24.7	26.1	27.6	29.1
Number of ordinary shares in issue (m) - period end	8,307	8,303	8,792	8,303	7,884	7,530
Number of ordinary shares in issue (m) - average	8,599	8,318	9,164	8,500	8,072	7,693

Key metrics and ratios

	Quarter		Full year			
	Q2'24	Q3'24E	2023	2024E	2025E	2026E
Group net interest margin	2.10%	2.10%	2.12%	2.09%	2.16%	2.24%
Cost:income ratio	52.7%	52.6%	51.8%	54.5%	53.6%	52.0%
Loan impairment rate	(0.05%)	0.18%	0.15%	0.11%	0.23%	0.25%
Return on tangible equity	18.5%	15.6%	17.8%	15.1%	14.2%	14.7%
Earnings/(loss) per ordinary share (p)	13.7p	11.9p	47.9p	46.8p	48.3p	55.6p
Ordinary DPS (p)	6.0p	-	17.0p	18.3p	19.2p	22.1p
Total buy-backs (£m)	1,241	-	2,059	1,586	1,466	1,488
Tangible net asset value (TNAV) per ordinary share (p)	304p	312p	292p	323p	358p	396p
Common Equity Tier 1 (CET1) ratio - transitional basis	13.6%	13.8%	13.4%	13.6%	13.3%	13.4%

Interest rate expectations

	Quarter		Full year			
	Q2'24	Q3'24E	2023	2024E	2025E	2026E
UK base rate (end of period)	5.25%	4.97%	5.25%	4.74%	3.71%	3.39%
UK base rate (average for the period)	5.25%	5.09%	4.69%	5.09%	4.19%	3.52%

*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 – Q3 2024 Consensus Financial Estimates (High & Low)

Models as at 18 October 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			14			14		
NatWest Group	Low Average High			Low Average High			Low Average High			Low Average High		
Group income statement, £m												
Net interest income	2,730	2,785	2,824	10,900	11,012	11,123	11,215	11,549	11,913	11,697	12,259	12,782
Non-interest income	750	794	831	3,212	3,287	3,392	3,193	3,303	3,524	3,283	3,404	3,599
Total income	3,513	3,579	3,618	14,188	14,300	14,425	14,583	14,852	15,282	15,150	15,663	16,302
Other operating expenses	(1,948)	(1,884)	(1,810)	(7,864)	(7,793)	(7,730)	(8,068)	(7,958)	(7,764)	(8,310)	(8,142)	(7,791)
Litigation and conduct	(98)	(63)	(40)	(305)	(243)	(180)	(300)	(249)	(200)	(275)	(246)	(200)
Operating expenses	(2,018)	(1,947)	(1,850)	(8,116)	(8,036)	(7,922)	(8,313)	(8,207)	(8,014)	(8,560)	(8,388)	(8,041)
Operating profit before impairment losses	1,565	1,631	1,768	6,094	6,264	6,491	6,433	6,645	7,143	6,860	7,275	7,869
Impairment losses	(239)	(173)	(109)	(545)	(435)	(306)	(1,085)	(894)	(723)	(1,159)	(1,005)	(850)
Operating profit/(loss) before tax	1,397	1,458	1,581	5,549	5,829	6,063	5,508	5,750	6,242	5,822	6,270	6,799
Tax (charge)/credit	(438)	(398)	(375)	(1,712)	(1,577)	(1,442)	(1,806)	(1,565)	(1,384)	(1,921)	(1,712)	(1,456)
Profit/(loss) for the period for continuing operations	1,006	1,061	1,143	4,001	4,252	4,434	3,896	4,185	4,524	4,218	4,558	4,929
Profit/(loss) from discontinued operations, net of tax	(8)	(1)	0	(75)	(0)	11	(3)	(0)	0	0	0	0
Profit/(loss) for the period	1,006	1,059	1,136	4,001	4,252	4,434	3,896	4,185	4,524	4,218	4,558	4,929
Attributable to:												
Ordinary shareholders	920	990	1,064	3,686	3,975	4,192	3,548	3,900	4,236	3,871	4,274	4,675
Other owners	57	70	85	242	269	300	242	280	332	242	280	332
Non-controlling interests	(3)	0	2	(4)	8	15	(4)	5	15	(4)	5	15
Notable items												
Notable items in income	0	1	11	130	132	153	0	13	130	0	12	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	13	130	0	12	130
Memo: Net interest income excluding notable items	2,730	2,785	2,824	10,900	11,012	11,123	11,215	11,549	11,913	11,697	12,259	12,782
Memo: Non-interest income excluding notable items	750	793	822	3,082	3,156	3,262	3,076	3,290	3,479	3,208	3,393	3,599
Memo: Total income excluding all notable items	3,513	3,578	3,618	14,058	14,168	14,296	14,583	14,839	15,282	15,150	15,652	16,302
Memo: Ulster direct costs	(25)	(21)	(10)	(100)	(88)	(55)	(100)	(40)	0	0	0	0

NatWest Group – Q3 2024 Consensus Financial Estimates (High & Low)

Models as at 18 October 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			14			14		
Group balance sheet and capital, £bn												
Net loans to customers (amortised cost)	379.7	382.2	393.3	380.7	386.0	395.3	388.5	396.0	403.7	393.1	405.9	414.7
Group average interest-earning assets (AIEAs)	526.6	528.6	531.4	524.5	527.0	529.0	529.0	536.2	543.7	529.0	546.5	557.2
Total assets	690.1	692.8	695.6	692.0	696.9	702.6	699.5	707.4	717.0	705.4	718.7	730.1
Customer deposits	425.2	432.8	435.8	425.2	434.5	442.4	427.8	442.3	450.3	427.8	450.2	458.8
<i>Customer deposits across the 3 business segments*</i>	<i>418.3</i>	<i>425.1</i>	<i>428.0</i>	<i>421.4</i>	<i>425.8</i>	<i>430.9</i>	<i>426.9</i>	<i>433.6</i>	<i>439.8</i>	<i>427.8</i>	<i>444.1</i>	<i>474.2</i>
Risk-weighted assets	182.1	183.5	185.5	183.6	187.4	192.4	192.5	198.8	201.9	201.6	204.5	208.7
Tangible equity	25.7	25.9	26.4	25.9	26.8	27.3	27.1	28.2	29.0	28.3	29.8	30.7
Average tangible equity (denominator for RoTE)	25.2	25.6	26.0	25.8	26.1	27.0	26.5	27.6	28.1	27.7	29.1	30.3
Number of ordinary shares in issue (m) - period end	8,292	8,303	8,328	8,168	8,303	8,379	7,677	7,884	8,086	7,339	7,530	7,793
Number of ordinary shares in issue (m) - average	8,300	8,318	8,447	8,292	8,500	8,585	7,994	8,072	8,232	7,508	7,693	7,939
Key metrics and ratios												
Group net interest margin	2.05%	2.10%	2.13%	2.06%	2.09%	2.11%	2.08%	2.16%	2.22%	2.15%	2.24%	2.37%
Cost:income ratio	50.0%	52.6%	53.9%	53.7%	54.5%	55.4%	52.0%	53.6%	54.4%	50.2%	52.0%	53.9%
Loan impairment rate	0.11%	0.18%	0.25%	0.08%	0.11%	0.14%	0.19%	0.23%	0.27%	0.22%	0.25%	0.28%
Return on tangible equity	14.5%	15.6%	16.9%	14.3%	15.1%	15.8%	13.4%	14.2%	15.3%	13.6%	14.7%	15.8%
Earnings/(loss) per ordinary share (p)	11.1p	11.9p	12.8p	43.5p	46.8p	50.0p	44.4p	48.3p	52.9p	50.9p	55.6p	61.6p
Ordinary DPS (p)	-	-	-	17.0p	18.3p	20.0p	17.0p	19.2p	21.0p	18.0p	22.1p	28.0p
Total buy-backs (£m)	-	-	-	1,241	1,586	2,240	1,100	1,466	1,661	750	1,488	1,750
Tangible net asset value (TNAV) per ordinary share (p)	310p	312p	318p	317p	323p	329p	347p	358p	366p	382p	396p	413p
Common Equity Tier 1 (CET1) ratio - transitional basis	13.6%	13.8%	14.0%	13.2%	13.6%	14.2%	13.0%	13.3%	13.6%	13.0%	13.4%	13.8%
Interest rate expectations												
UK base rate (end of period)	4.75%	4.97%	5.00%	4.45%	4.74%	5.00%	3.25%	3.71%	4.00%	3.00%	3.39%	3.75%
UK base rate (average for the period)	5.00%	5.09%	5.14%	5.00%	5.09%	5.13%	3.71%	4.19%	4.38%	3.03%	3.52%	3.85%

*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 – Q3 2024 Consensus Financial Estimates (High & Low income excluding notable items)

Models as at 18 October 2024



	Quarter			Full year								
	Q3'24E			2024E			2025E			2026E		
Analysts included in consensus	14			15			14			14		
Group*	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income excluding notable items	2,730	2,785	2,824	10,900	11,012	11,123	11,215	11,549	11,913	11,697	12,259	12,782
Non-interest income excluding notable items	750	793	822	3,082	3,156	3,262	3,076	3,290	3,479	3,208	3,393	3,599
Total income excluding all notable items	3,513	3,578	3,618	14,058	14,168	14,296	14,583	14,839	15,282	15,150	15,652	16,302
Analysts included in consensus	11			13			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	2,730	2,763	2,798	10,813	10,866	10,972	10,813	11,474	11,906	11,597	12,193	12,782
Non-interest income excluding notable items	748	784	819	3,097	3,194	3,363	3,106	3,254	3,376	3,190	3,378	3,520
Total income excluding all notable items	3,513	3,547	3,585	13,954	14,060	14,280	14,041	14,727	15,282	15,046	15,571	16,302
Analysts included in consensus	11			13			12			12		
Central items & other	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High
Net interest income excluding notable items	(14)	26	50	52	153	270	(157)	26	150	(159)	13	126
Non-interest income excluding notable items	(25)	9	48	(270)	(39)	66	(126)	60	175	(126)	61	180
Total income excluding all notable items	(0)	35	85	(130)	114	336	0	86	300	0	74	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 – Q3 2024 Consensus Financial Estimates



Models as at 18 October 2024

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